

THE KEYSTONE NEIGHBOURHOOD COMPANY

ANNUAL MEMBERS' MEETING

November 18, 2005

I. Call the Meeting to Order

The Keystone Neighbourhood Company Annual Members' Meeting was called to order by Mr. Bill Pell on Friday, November 18, 2005 at 2:10 p.m. at the Keystone Conference Center.

Board Members Present Were;

Roger McCarthy, President, At Large Director
Alex Iskenderian, Vice President, Resort Director
Bill Pell, Secretary, At Large Residential Director and Homeowner
Thomas Davidson, At Large Director
Jim Crocker, At Large Commercial Director
Doug Sims, Ski Tip Residential Director and Homeowner
Paul Jeppson, Lodge Director
Don McCoy, River Run Commercial Director

Representing the Keystone Neighbourhood Company Were;

Keven Burnett, Executive Director
Heidi Stenhammer, Business Manager & Treasurer
Molly Speer, Operations Director
Josh Blanchard, Events Manager

27 Homeowners Were Present in Person

Others Present Were;

Jeff Steele, River Run Property Management
Jeff Pennette, Property Manager
Carol Culbreath, Property Manager

II. Approve Previous Meeting Minutes

The previous meeting minutes dated July 1, 2005 were approved as presented.

Mr. Pell noted that a quorum was present in person and by proxy for purposes of convening the meeting and for the Budget vote and the At Large Residential Director vote. There was not a quorum present of 20% (158 members) of the class members for the River Run Residential Director vote. Pursuant to the bylaws Mr. Boyd will remain in that position until a meeting duly convened with a quorum present can conduct a vote.

III. President's Report

Mr. Iskenderian welcomed everyone in attendance and introduced the Executive Board as listed above.

Mission Statement

It is the Neighbourhood Company's mission to make the Neighbourhoods at Keystone a premiere mountain community by maintaining a high quality environment and investing in facilities and events that will attract visitors and create a vibrant four-season community.

IV. Executive Director's Report

Introduction of Staff

Mr. Burnett introduced the Neighbourhood Company staff as listed above. He noted that the Neighbourhood Company has recently moved into a new office located in Silver Mill suite F-4. This new space includes a conference room that holds 12-15 people and is available to all associations within Neighbourhood Company territory to use free of charge. Please contact the Neighbourhood Company office at 800.919.0038 to reserve the space.

2005 Year in Review and Year End Projections

As of September 31, 2005 the Neighbourhood Company had \$3,253,014 in liabilities and equity. Income was \$2,051,177 versus a budgeted \$1,859,037, expenses were \$1,635,921 versus a budgeted \$1,712,312 and net income was \$415,256 versus a budgeted \$146,724. The Neighbourhood Company is projecting a year-end surplus of \$274,499.

2006 Operating and Reserve Fund Budget

The 2006 Operating budget represents \$2,561,907 in revenue, \$523,768 in allocations and \$2,038,140 in expenses for a zero based budget. The Capital Reserve fund will have \$170,000 in expenses, \$350,000 in allocations for a year-end 2006 balance of \$852,012. The Improvements reserve fund is budgeted to have \$120,000 in expenses, \$60,353 in allocations for a year end budget of \$1,096,581. The Facilities Reserve Fund will have zero dollars in expenses and \$113,420 in allocations for an ending balance of \$580,888.

V. River Run and At Large Residential Director Candidate Forum

The candidate forum was not conducted due to the fact that Bill Pell was running unopposed for the At Large Residential Director position and a quorum was not present for the River Run Residential Director position.

VI. Vote

Budget Vote

It was noted that the budget ballot had a typo which referred to the 2005 budget as opposed to the 2006 budget.

The 2006 Operating and Reserve Fund budgets passed with 2,174 in favor and 1 opposed.

At Large Residential Director

Bill Pell was reelected as At Large Residential Director by a vote of 151 in favor and zero opposed.

VII. Set Next Meeting Date

The next meeting of the members of the Neighbourhood Company will be held on Friday, June 30, 2006 at 2:00 p.m. in the Pavilion at Keystone.

VIII. Adjournment of Special Meeting

The meeting was adjourned at 3:45 p.m.