

The Keystone Neighbourhood Company

Special Members' Meeting

July 3, 2008

I. Call the Meeting to Order

The Keystone Neighbourhood Company Special Members' Meeting was called to order at 2:15 pm by Pat Campbell on Thursday July 3, 2008 at the Pavilion at Keystone

Board Members Present Were:

Pat Campbell, President & At Large Director
Alex Iskenderian, Vice President & At Large Director
Larry Mills, Secretary & At Large Residential Director
Brad Schaeppi, At Large Director
Doug Sims, Ski Tip Residential Director
John Boyd, River Run Residential Director
Donna Nolz, At Large Commercial Director
Paul Jeppson, Lodge Director
Don McCoy, River Run Commercial Director

Representing the Keystone Neighbourhood Company Were:

Molly Speer, Executive Director
Mindy Bothel, Business Manager
Josh Blanchard, Events Manager
Lesley Johnson, Senior Events Coordinator
Brooke Gastineau, Events Coordinator
Erik Kraatz, Operations Manager

Homeowners and Other Representatives Present in Person Were:

<u>Name</u>	<u>Lot/Unit Number</u>
McCloskey	8809 Springs
Manning	8123 Arapahoe
Boyd	8811 Springs
Kribs	Lot 3 Alders
Randles	KPM
Derwilder	KPM
Culbreath	KPM
Hewson	8167 Silver Mill
Matchett	8522 Dakota

The Keystone Neighbourhood Company

Special Members' Meeting

July 3, 2008

Page 2 of 2

<u>Name</u>	<u>Lot/Unit Number</u>
Baker	VRDC
Schwarte	8418 Dakota
Hutter	8418 Buffalo
Foster	8461 Dakota
Wall	8400 Buffalo
Cannon	8842 Springs
Cushing	8285 Silver Mill
Spencer	8459 Dakota
Lawrence	2351 Red Hawk TH
Crammond	8840, 8841 Springs
Terry	8704 Ski Tip
Ledwich	8831 Springs
Cook	8843, 8846 Springs
Phillips	8384 Buffalo
Vogt	2327 Red Hawk TH
Hankolom	8818 Springs
Sholds	2293 Red Hawk TH
Landolfi	2311 Red Hawk TH
Rutledge	8848 Springs
Knoles	Lot 10 Settlers Creek
Hodges	8780 Trappers
Grow	8383 Buffalo
French	8210 Silver Mill
Sims	Lot 3 Settlers Creek
Straight	8866 Springs
Rosenblum	3033 Lone Eagle
Shumate	8402 Buffalo
Berlakovich	2291 Red hawk Lodge
Schroeon	8351 Buffalo
Lochhead	8751 Ski Tip
Wood	8734 Ski Tip
Platte	8838, 8839 Springs
Huley	8829 Springs
Brikman	8717 Ski Tip
Mills	8243 Silver Mill
Arbuthan	8841 Springs
Pennette	KPM
Paddock	8479 Dakota
Lehamn	KPM
Bailey	8742 Ski Tip

Others Present Were:

Paul Backus - CPA

II. President's Report

Approval of Previous Meeting Minutes

The previous minutes dated November 16, 2007 were reviewed and approved by unanimous vote.

Determination of a Quorum

It was noted that a quorum was present in person and by proxy.

Introduction of Executive Board

Pat Campbell introduced all Board members on the stage.

Mission Statement

Pat Campbell read the Keystone Neighbourhood Company's 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 homeowners and create a vibrant four-season community.

III. Financial Report

2007 Year-End Audit

Paul Backus presented the 2007 full, audited financial statements. Mr. Backus stated that this was a very clean and well organized audit. The Neighbourhood Company is accumulating assets for Capital improvements. All excess revenue is being saved and was not spent on increased expenses. The 2007 audit showed that expenses have been staying consistent since the last increase which was seen in 2004 to 2005 due to the transportation expenses. Any increases are consistent with CPI increases. The pie chart included in the audit package is a solid indicator of how the Neighbourhood Company is spending the member dollars appropriately and conservatively. Molly Speer thanked Mr. Backus for his presentation.

Vote

Ms. Speer asked the members to complete their ballots at this time. After the members completed their ballots they were collected and tallied.

IV. Executive Director's Report

Elections and Voting Update

Ms. Speer announced there will be an election at the members' annual meeting in November for the River Run Residential Director, the Ski Tip Residential Director and the At Large Residential Director. Anyone interested in running for any of these positions should contact the Neighbourhood Company.

Introduction of KNC Staff

Ms. Speer introduced all Keystone Neighbourhood Company managers and staff members.

April 30th Year-to-Date Financial Report

Ms. Speer began a review and explanation of the financial statements through April 30, 2008. She noted there were details on pages 8 & 9 in the packets explaining the expenses and income to budget numbers through the end of April 2008.

2008 Reserve Funds Update

Upon completion of the year to date financial reports Ms. Speer began a discussion on the reserve funds and the revenue currently held.

Questions arose regarding the reserve accounts. Due to the increase in funds the Neighbourhood Company is accumulating for capital improvements the membership wanted to make sure the funds were all FDIC insured. Ms. Speer turned the questions over to Doug Sims to answer. Referring to a meeting the Finance Committee had with Alpine Bank and Alpine Asset Management in March of this year Mr. Sims assured the homeowners that we were informed all funds were FDIC insured. Regarding the funds held with Wells Fargo Bank, they have always been held in laddered CD's thus insuring FDIC insurance. A question arose about refunding some of the excess revenue to the members. Mr. Sims explained that per the Keystone Neighbourhood Company documents we are expected to save excess fund for River Run Village improvements and to continue to build reserves for the Cultural Arts Center per homeowner's requests. Mr. Backus addressed the resolutions and how the funds were allocated to each in detail.

Cultural Arts Center Update

Ms. Speer began the discussion with a brief history of the Cultural Arts Center.

In 2002 the Neighbourhood Company completed a study with the Keystone Neighbourhood Company members and community members asking what amenities they would like to see in Keystone. The Pavilion at Keystone was purchased and constructed and through 2005 and 2006 it was decided that River Run Village could support a permanent facility. Ms. Speer and Mr.

Blanchard began extensive research on facilities with similar features which could handle the wedding business, conference groups, theater and musical groups, children's activities that had been programmed in the pavilion. The project will be located at the current site of the tent and the land will be donated to the Neighbourhood Company, by Vail Resorts, as soon as construction begins which will allow us to realize the land and building as an asset to the company.

The Snake River Community Association, with Bob Follett as President, was established to assist in fundraising and revenue accumulation to assist in the construction of the permanent facility.

The project will be managed the Keystone Neighbourhood Company from the soils test, surveys, architects through to completion with homeowner representative to assist in overseeing the project. The portion of total cost which will be allocated by the Neighbourhood Company as well as how we plan to engage the community with fund raising was discussed. The question was posed would the facility be able to support itself? At this time the Neighbourhood Company is expecting the facility to have a small loss year after year.

There were homeowner comments regarding how well the Keystone Neighbourhood Company is doing on keeping this project moving forward and providing additional amenities for the homeowners and guests.

Events Update

The village will be hosting Discovery Days and Frontiers Fairs for all the children this summer. There will be traditional 4th of July activities this weekend. Opening night for Little Shop of Horrors with a reception beginning at 6:30 pm. There are other events listed on the web site which are free and pay per visit events.

V. New Business/General Discussion

There have been two new restaurants opened in the village; Jay's Patio Café and Spoon Restaurant.

A decision began on how to make River Run more of a four season resort area. The resort, the revitalized merchant association and the Neighbourhood Company are working together to bring additional events through September and October, but it is difficult to keep businesses open in the off season. With the future addition of the Cultural Art Center this will facilitate the opportunity to make River Run more of a four season resort area.

It was stated again there will be three board seats to be elected at the November meeting. All three are elected by the homeowners, the resort representatives do not vote on these board seats. The Neighbourhood Company is investigating additional ways to disseminate and collect information, primarily electronically.

It was requested that we look into purchasing new pool furniture for the Dakota pool area.

VI. Set Next Meeting Date

The next meeting will be held on Friday November 21, 2008 from 2:00 – 5:00 pm in the Keystone Conference Center.

VII. Adjournment

The meeting was adjourned at 3:35 p.m.