

**ORO GRANDE LODGE ASSOCIATION  
HOMEOWNERS MEETING  
NOVEMBER 5, 2005**

I. Call Meeting to Order

The Oro Grande Lodge Association Homeowners Meeting was called to order by Steve Balthazor at 1:15 p.m. on Saturday, November 5, 2005 in the Oro Grande Lodge Meeting Room.

Homeowners Present Were:

Craig Boroughs, #209	Mr. and Mrs. Alroy Schabel, #214/216
Steve Balthazor, #300	Mr. & Mrs. Francis Mojo, #301
Melody Dillon, #304	John Kennedy, #305
Michael Stevens, #306	Mr. & Mrs. Richard Guntren, #307
Mr. & Mrs. Travis Leo, #309	Mr. & Mrs. McKnight, #312
Bruce Kelso, #313	Matt Walsh, #406
Hammers Construction, Inc., #409	

Units Represented by Proxy Were:

Fred Scherman, #201	Fred & Rose Ravenscroft, #203
Larry Slade, #204	Alvin Sanborn, #205
Judy Thompson, #302	Lane McKnight, #312
Lake View Holdings, LLC, #314	Augustin Aguilar, #316
Kari & Terry McAnna, #400	Patricia Armstrong, #401
Christina & Curt Hauer, #403	Patrick & Nanette Regan, #411
Roger & Carol Boltz, #414	Duke Altschuler, #416

Representing ResortQuest Were:

Robert Stenhammer, ResortQuest General Manager  
Frank Ernst, ResortQuest Keystone Property Manager

II. Proof of Notice/Proxy Count/Quorum

Notice was provided in accordance with the legal documents governing the Association.

With fourteen units represented in person and fourteen by proxy, a quorum was reached.

III. New Business

A. *Newsletter*

Owner email addresses will be collected and ResortQuest will send out a newsletter on a regular basis. Information in the newsletter will include new and

ongoing issues in the building, current and upcoming events and any other important information.

*B. Transportation*

There was discussion about whether the Association should sign a contract with Keystone for transportation or check into other options. Frank Ernst said other transportation options were very limited and did not offer the same level of service as Keystone. Some owners agreed that transportation should be available for rental units in order to remain competitive. One homeowner said he bought a unit at Oro Grande Lodge because he was told transportation was available at the property.

There was discussion about possibly charging rental units a higher portion of the transportation costs. An owner suggested implementing a transportation fee structure based on the number of rental nights or rental income in each unit. The Board explained that it would be very difficult to classify units based on rental income. It was noted that there would always be services that some units use and others do not. An owner pointed out there was a difference between services offered within the Association such as the pool and exercise room and an outside service such as the transportation. Frank will determine what other Associations are doing and get details about the services offered by East Bus.

*C. Temperature Control*

A suggestion was made to install locked boxes around the temperature controls in all rental units.

*D. Boiler*

The hallways are always too warm; Frank Ernst will have a professional inspect the boiler and will also have all zone valves checked. This item is high priority.

*E. Lights in Pool Area*

A suggestion was made to turn off more lights in the pool area or to replace the existing lights with energy efficient light bulbs. Frank Ernst explained that ResortQuest had to comply with the insurance carrier guidelines. He will determine if there are any code restrictions regarding light bulbs.

*F. Parking Passes*

Frank Ernst said ResortQuest was continuing to register owners' cars. Parking passes are available on site and should be visible in any parked car. Owners are permitted to park one car per unit in the garage and one in the parking lot. The parking lot will be patrolled, especially during peak season, and he will continue to develop appropriate parking procedures.

*G. Vending Machines*

All vending machines were removed.

*H. Vents*

All vents are functioning.

*I. Dryers*

All dryers appear to be working. Frank Ernst said he would research and analyze costs for installing plumbing and electrical for a laundry room on the third floor.

*J. Television Remote Control in Exercise Room*

A new remote control will be purchased.

*K. Loss Control Study*

Frank Ernst will determine if a loss control study was done

IV. Approve Previous Meeting Minutes

A motion was made to approve the minutes from the Homeowners Meeting held on November 13, 2004 as presented. The motion was seconded and carried unanimously.

Frank Ernst asked owners to contact him with any concerns, problems or ideas for improvements.

V. President's Report

Frank Ernst explained Fred Cooke had to resign from the Board because he sold his unit. He was not notified about the sale until after he mailed out the proxies. Fred's letter of resignation is part of these minutes. Proxies assigned to Board members who are no longer serving were assigned evenly among the remaining Board members.

An owner requested the meeting notice be sent out earlier.

VI. Management Report

*A. Completed Items*

1. Researched bulk gas purchase and one bid has been received so far.
2. Researched alternatives to Keystone transportation system.
3. Completed testing and inspection of the fire monitoring system.
4. Landscaping completed per the Board's direction. Frank Ernst said Brian left ResortQuest and a new employee will be hired this coming week.
5. Painted unit deck railings.
6. Removed trees killed by pine beetles from the property line.
7. Installed drip line on the berm on the northeast side. In addition, some irrigation pieces have been installed. Frank Ernst explained the irrigation system was never finished. The Board asked him to check with the

County about the status of this matter and to determine what potential impact the incomplete irrigation system might have on the Association.

8. Repainted lines in parking lot.
9. Repaired lines damaged by beavers.
10. Removed noxious weeds.
11. Windows were washed in July. Matt Walsh said there were some windows on the fourth floor that were not cleaned. He requested all windows be washed twice annually.
12. Repaired handicapped lift. A report is available upon request.

*B. Pending Projects*

1. Implement Senate Bill 100 requirements. As of January 2006 one requirement will be to have an audit or review completed every two years. Frank Ernst recommended removing the audit expense from the 2006 Budget and scheduling an audit in two years.
2. Address heat in common area hallways.
3. Improve drainage on east side of building. This will be a large scale project.
4. Window washing scheduled for November 2006.
5. Clarify billing of locker rentals. Owners were asked to notify Frank of any changes.
6. Replace toilet paper holders in pool room bathrooms. Frank Ernst explained that his supplier does not offer anything close to the existing holders. He will research a different supplier.

*C. Construction Behind the Building*

Frank Ernst will research the nature of the ongoing construction in the neighboring lot behind the building.

*D. Mechanical Room*

An owner suggested reviewing the mechanical room blueprints when evaluating the boiler problem.

*E. Additional Lockers*

There was discussion about adding metal lockers in the garage. Frank Ernst will try to identify a suitable location; he noted that there could be issues with vandalism if they are not in a highly visible area.

*F. Key Card Entry on Back Door*

The key card entry on the back door does not work all the time and possibly needs to be replaced. Key cards should be kept in a protective sleeve, away from cell phones, to prevent damage to the magnetic strip.

- G. Fire Door*  
The fire door from the owner locker room into the west staircase is jamming. Frank Ernst will address this problem.
- H. Weather Sealant*  
The weather sealant by the metal stairs needs to be repaired.
- I. Surveillance System*  
An owner said there was previously discussion about adding a surveillance system. Frank Ernst said he could research the cost and options. He anticipated it would be a significant expense. It was noted that during previous discussions, no solution had been identified for monitoring the system.
- J. Pets*  
Another notice will be sent to all owners reminding them that pet owners must clean up after their pets.
- K. Carpet in Lobby*  
One side of the larger rug is folding up, creating a safety issue. The rug will be inspected during the property tour.
- L. ResortQuest Sign*  
An owner felt the ResortQuest sign looked like a hotel sign and asked if it could be removed. Frank Ernst explained that the sign is required per the management contract, and guests need to know the contact phone number for the management company. He suggested changing the color of the sign.
- M. Key Card Entry from Outside into the Poolroom*  
There was discussion about adding a key card entry into the pool room from outside since it is frequently used, especially during the summer. The overall consensus was not to add a key card entry.
- N. Common Area Cleaning*  
An owner commented on the strong pine disinfectant smell in the building. Frank Ernst will determine what type of cleaning products are being used and how.
- O. Wireless Internet Access*  
Travis Leo offered to check into availability and pricing for wireless internet access.

VII. Financial Report

Steve Balthazor said the Board and Property Management were making best efforts to keep expenses as low as possible.

A. *Balance Sheet as of 9/30/2005*

As of September 30, 2005 the Operating Budget was \$6,937 over budget due to the unbudgeted transportation expense and increased energy prices. Frank Ernst said the Association was budgeted to have a surplus of \$3,297, resulting in a negative variance of \$10,235. Repairs and Maintenance was \$3,203 over budget due to repairs to the hot water lines and valves for \$3,672 and the damper/freezer thermostat replacement at a cost of \$1,636. He noted there was an accounting error in line item 6220, Common Area Cleaning, which needs to be fixed.

There was one delinquency; the owner mailed a check in October.

B. *Income Statement Year-to-Date*

As of September 30, 2005 the Replacement Fund balance was approximately \$76,000.

C. *Proposed 2006 Budget*

Frank Ernst presented the proposed 2006 Budget. He said there were no price increases projected by most vendors for 2006.

He provided historical figures from Seminole Energy and estimated there would have been a savings of between 7.7 – 9.7% if the Association had purchased gas from them over the past year.

Travis Leo will research options for internet service other than ResortInternet. He asked for a copy of the phone bill to confirm that the Association was billed correctly.

Frank Ernst mentioned that ResortQuest offers automatic withdrawal for dues for a minimal fee.

The 2006 Budget as written results in a dues increase of \$0.73/sq.ft.

VIII. General Discussion

A. *Engineering Study*

There was discussion about hiring a consultant to create a Replacement Fund Study, which would provide an evaluation of all anticipated capital expenditures. Each year about \$20,000 is contributed to the Replacement Fund. Robert Stenhammer said the rule of thumb is the Association should have about 1% of the insured value of the building in the Replacement Fund. The Board will research this matter.

B. *Insurance*

Frank Ernst said that Bob Strong, the insurance agent, strongly recommended having the property appraised to ensure proper coverage.

- C. *Investing Funds*  
Steve Balthazor will draft a policy for investment of Association funds.
- D. *Designated Adult Swim Time*  
A survey will be sent out asking owners for their opinion on designating certain pool hours for adult use only. Recommendations from owners present were to open the pool to adults only from 6:00 a.m. – 8:00 a.m. and from 9:00 p.m. – 10:00 p.m. A sign could be installed on the door and the inside pool area. Owners would need to help enforce this rule, if established.
- E. *Real Estate Report*  
Frank Ernst will email the most recent real estate report to owners.
- F. *Non Rental Units*  
An owner felt non rental units should receive the same benefits from ResortQuest as units on the rental program. Frank Ernst explained that ResortQuest was striving to improve efficiency and to show their commitment to the homeowner associations, and said he would pass on this concern.
- G. *Lift Tickets*  
ResortQuest does sell lift tickets for Keystone and does not receive any discounted tickets from Keystone.
- H. *Security Checks*  
Security checks have been done frequently.
- I. *Senate Bill 100*  
Frank Ernst will attend some seminars to learn more about the newly passed Senate Bill 100. Property Management and the Board will have an extensive list to ensure compliance. The required website will most likely be available through ResortQuest.
- J. *Lockers*  
Frank Ernst asked all owners to review the list of locker holders for errors. Any owner who would like a locker can be added to a waiting list. Frank will send out a revised locker list.

IX. Election of Board Members

There were three openings on the Board. Fred Cooke and Jason Smith had to resign from the Board because they sold their units. Matt Walsh's term expired and he indicated his willingness to serve another term on the Board. Frank Ernst reported that Fred Ravenscroft (#203), who was not present, expressed interest in serving on the Board.

There were motions from the floor to nominate Craig Boroughs, Matt Walsh, Travis Leo and Francis Mojo. The nominations were seconded. Ballots were tallied and Matt Walsh, Craig Boroughs and Travis Leo were elected to the Board.

X. Set Next Meeting Date

Francis Mojo made a motion to schedule the next Homeowner Meeting for November 11, 2006. Bruce Kelso seconded and the motion carried.

XI. Adjournment

With no further business, the meeting was adjourned at 4:49 p.m.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Approval