

**ORO GRANDE LODGE
HOMEOWNERS MEETING NOTES
NOVEMBER 11, 2006**

Meeting Called to Order

At 1:10 p.m., Steve Balthazor made a motion to call the Oro Grande Lodge homeowners meeting to order, and Francis Mojo provided a second to the motion.

Homeowners Present Were:

Fred Sherman, #201	Mr. & Mrs. Fred Ravenscroft, #203
Mr. & Mrs. Al Sanborn, #205	Cynthia Diehl, #206
Kathy Lambert, #208	Craig Boroughs, #209
Raj Sharma, #211, 213, 215	Steven Balthazor, #300
Francis Mojo, #301	Melody Dillon, #304
Lorna Kennedy, #305	Geanie Leo, #309
Mr. & Mrs. Lane McKnight, #312	Mr. & Mrs. Bruce Kelso, #313
Krystal Knott, #407	Samira Soto, #412

Units Represented by Proxy Were:

Larry Slade, #204	Cyrus Madani, #212
Dennis Hoke, #214	John Mullen, #216
Robert Thompson, #302	Charlotta Perlangelli, #303
Michael Stevens, #306	Richard Guntren, #307
Douglas Grendell, #308	Harlan Wilder, #310
Lake View Holdings, LLC, #314	Agustin Aguilar, #316
Terrence McCanna, #400	James Armstrong, #401
Dwayne Jenkins, #408	Douglas Spurgeon, #410
Patrick Regan, #411	Elmer Altschuler, #416

Introductions/Proof of Notice/Proxy Count/Quorum

An opportunity was provided for all present to introduce themselves. Following the proxy county, it was determined that a quorum was present.

Financial Report

Mike Guion with Resort Quest was present to answer questions about the year-to-date financials for 2006. Mike provided a summary of the information presented in the packet. Mike reviewed a few line items in the budget and discussed some costs that varied from the projected budget for those items including repair and maintenance costs. Specific repair and maintenance charges were noted including the costs for working on the dryers, replacing the pool boiler, fixing the exercise bike, and fixing the patio

snow/ice sensor. The current balances in the operating account and reserve account were noted.

Craig Boroughs noted that the two major deviations between actual costs and the projected budget were for natural gas and repairs and maintenance. Over the past winter, natural gas bills from Xcel far exceeded the projected costs, but with the new natural gas contract that Resort Quest set up with Seminole Energy, the association has been saving on natural gas for the past few months and has made up some of the overrun from the past winter. Costs for repairs and maintenance also exceeded the budget. The board is going to monitor these costs closer in 2007 to get a better idea of the actual annual costs that should be expected. Also, the association has not been billed for the transportation service provided during 2006, and it is still not entirely clear when and how the association will be billed for transportation.

The level of funding needed in the reserve account was discussed among the owners. One rule of thumb is that the amount in the reserve account should equal one percent of the insured value of the property. Fred Ravenscroft emphasized his interest in seeing a reserve study completed to assess an appropriate level of reserves, and Craig Boroughs noted that the board is planning to look at this during 2007. A few owners concurred that assuring an adequate reserve fund should be handled responsibly.

The board is planning to review options for increasing the interest received on the reserve account. A few owners noted that the reserves should be moved to an account that yields higher interest such as a money market mutual fund. Mike Guion with Resort Quest recommended for a good portion of the reserves to be moved to a higher interest bearing account, but some of the reserves should be kept in an account that can be accessed fairly easily.

Review Minutes of Last Meeting

Minutes from the last homeowners meeting held on November 5, 2006 were reviewed. There was a question about the lights in the pool area. Those lights are now programmed to turn on and off to save energy. The lights in the garage were also discussed, and those lights automatically turn off. The minutes for the November 5, 2005 meeting were approved.

Board Report

Craig Boroughs provided a report from the board. The board has been reviewing all the costs to the association and plans to continue with this task during 2007. All the various service and maintenance contracts and utility bills are being reviewed, and the board has made a lot of progress with understanding all the costs to the association. The board has been discussing the need to have a long-term plan for maintaining a solvent operating account, and the board is also interested in completing a reserve study to assure the level

of funds in the reserve account is appropriate. Craig noted that other specific topics will be discussed later in the meeting as part of the general discussion.

Management/Resort Quest Report

Frank Ernst provided a report from the property management company, Resort Quest. Frank reviewed several tasks that were completed during 2006. A natural gas contract was set up with Seminole Energy and has resulted in savings versus Xcel. The boiler for the pool froze up during December of the previous year. A heater was installed in the boiler room to assure this room stays warm and hopefully prevent this from happening again. The heater is wired to a different breaker from the boiler to assure it does not shut off if the breaker to the boiler trips. Several repairs were made around the building including repairs to the doors to the dumpster housing and to the exterior stucco that was damaged by ice. Landscaping projects were completed including the addition of wood chips to a few areas and placement of gravel along the west side of the building where grass would not grow. Resort Quest has also been reviewing Senate Bills 100 and 89 to assure the association is in compliance. The sensor at the side of the building that detects snow and ice on the patio occasionally gets covered with snow, so owners were asked to help watch this sensor to assure the patio heater comes on as needed.

General Discussion/Owners Comments/New Business

A list of specific topics for open discussion was displayed at the meeting. Frank Ernst reviewed the issues pertaining to each topic and the status of getting issues addressed.

Drainage Fix

Water is seeping into the garage wall along the back side of the building. This is largely due to ice building up around the drain spouts. The plan for addressing this situation entails extending the drains out away from the building and possibly installing heat tape in the drains. Also, a berm will be created next to the building to prevent water from ponding right next to the building and seeping into the ground next to the building. Resort Quest has been in communication with the contractors for the new development behind Oro Grande, the Sanctuary, about getting some free fill to create the berm.

An owner inquired about water dripping down from the roof that extends out over the front entry to the building. Frank noted that Resort Quest is monitoring this situation and will continue to review solutions. There was also interest in whether the Sanctuary development would cause any drainage problems at Oro Grande, but no problems are expected.

Transportation

Keystone Resort charges the association to be part of the transportation system, but Keystone's approach to billing for the service has been under review by the Public Utilities Commission. A judge's ruling is expected on December 6 regarding this approach. Several owners emphasized that despite the cost, they are very interested in seeing this service continued. Some felt that it is important for the real estate value and for short-term rentals. There were others that do not use the service and thought the cost was not justified. Based on votes by the owners, a budget for 2007 was ratified that includes continued transportation service.

Landscaping

The landscaping projects that were completed over the summer were reviewed. Flowers were planted along the berm to the west of the building. Gravel was placed over the area to the west of the building that had remained muddy over the past few years. Wood chips were placed along the berm to the west of the building, on the islands along the parking lot, and next to the road side ditch to the south of the building. Resort Quest has also been working on patches of dead grass that are affected by pets.

Sanctuary

New buildings are being constructed behind Oro Grande Lodge. Several units will be built and are currently priced at over \$450/square foot. The development is expected to be very nice and help property values in the area. There have been a few complaints about noise.

Laundry

A lot of work was done in an attempt to improve the performance of the dryers. Appliance Doctor was contracted to work on the dryers several times but had little success. Eventually, the board decided to decrease the price for the washers and dryers to 50 cents due to the poor performance. An estimate was obtained for adding washers and dryers to the 3rd floor (at the same location where washers and dryers are located on the 2nd and 4th floors), but the cost was determined to be high because the current plumbing is not sized for additional washers. Due to the high cost, it was determined that adding washers and dryers on the 3rd floor is not justified. The idea of adding owners' lockers to this room was then broached.

Owners Lockers

There is currently a waiting list for the owners' lockers. Resort Quest is updating their records in regards to who is currently renting lockers, but they are not currently receiving payment for all the lockers even though all are used. Due to the demand, owners suggested putting more lockers in the 3rd floor meeting room or the 3rd floor room where washers and dryers would be located. There was some discussion regarding whether owners should be allowed to store skis in these areas.

The locks on the current owners' lockers cannot be rekeyed. Locksmiths have not been able to duplicate the keys, so there was discussion of changing the locks on all the owners' lockers. Some owners recommended for this to be an association expense as opposed to a cost for the owners' lockers users.

Handicap Elevator

The repair costs for the handicap elevator were on the order of \$1500 to \$2000 during 2006. People are using this elevator to move luggage, and this may be contributing to the persistent need for repair, so a signs were added to the elevators to indicate that the elevator is for "handicap use only." Owners were asked to please not use this elevator in an attempt to hopefully cut the handicap elevator repair and maintenance costs.

Building Heat

Resort Quest has been working to get a better understanding of the issues affecting the heat in the building and has made progress. Repairs were completed to the air handler motor. Management has been monitoring the temperature control in the 4th floor meeting room. Windows are often opened in the hallways. A suggestion was made to remove the handles from these windows, but there may be some liability issues with this.

Key Card Administration

Frank reviewed Resort Quest's policy for administering the key cards. Often, people need keys made, so the management company is considering setting up passwords for issuing keys.

Unit Inspections

Unit inspections are completed twice a month per the management contract and once a week during the winter. Unit inspections are important to catch leaks or other potential problems. Such problems can cause serious damages that may be very costly.

Common Area Cleaning

Resort Quest will continue to work with the board on the schedule for common area cleaning tasks to assure common areas are kept clean to meet owners' expectations and also stay within the budget.

Short-Term Renters

Craig Boroughs noted that short-term renters were discussed at past homeowners meeting, so this topic was included on the list of discussion topics. No additional comments were provided. Resort Quest will continue to work to assure the building needs are met during the busy periods when short-term renters are often in the building.

Pets

The management company is spending a lot of time cleaning up after pets. Owners were asked to please pick up after their pets and please take their pets out away from the building. Per the bylaws, owners are required to keep their pets on a leash that is less than 10 feet long. Also, owners are required to register their pets.

Spring Clean Day

The board is considering scheduling a day in the spring when owners can assist with cleaning or other projects around the building. Owners could work on specific projects of interest, and common area cleaning and landscaping costs to the association could be reduced. Such an event would likely be followed by a social.

Bike Rack

It was suggested to move the bike rack to the area next to the door to the ski locker room. It is important to keep the bike rack away from the garage door as there were thefts when the bikes were near the garage door in the past.

Pool/Hot Tub Boilers

Frank reviewed the repairs that were required last December as a result of the pool boiler that froze. A heater was installed in the boiler room which is on a different circuit breaker. The board decided to make an insurance claim to replace the boiler. A check was received for the cost of the boiler, but the labor cost for the repair work was not covered.

Recycling

The accepted items for recycling were discussed. There has been discussion in the local community of having a recycling center in Keystone, but there are no final plans.

Parking

Resort Quest is going to issue parking passes. Two passes will be issued for each unit. There was discussion of making the garage available for owners only, but it was noted that having a garage is a selling point for short-term renters

Natural Gas Contract

Frank reviewed the details of the natural gas contract with Seminole Energy. The association has saved money over the past few months versus the budget which was based on Xcel's rates for natural gas. With the new contract, the association is able to lock in a price for natural gas. While the association may not actually end up getting the lowest price, being able to lock in a price makes budgeting much easier. Current locked

in prices have yielded some savings, but the benefits should be significant when usage increases during the winter.

Owners Communication/E-mail List (SB 89 and 100)

An owners' e-mail list has been created for communication and is used for communications to comply with Senate Bills 89 and 100. Owners were asked to provide updated information e-mail addresses and other contact information. Owners that did not provide this information at the meeting should provide the information to Resort Quest.

Cable Contract

The association is currently under contract with Comcast to receive cable into 2008. The contract includes HBO and Encore (It was noted that the channel for HBO recently changed to channel 99). Since Encore is now only provided by Comcast with a digital decoder box, Comcast offered to provide owners with a decoder box – for no additional charge – and receive multiple HBO and Encore channels. Instructions for picking up the box were provided in the meeting packets.

Internet

It was determined that setting up the building for wireless internet service would be costly, so the board decided to not pursue this option. Comcast is available. Matt Walsh noted that he switched to Comcast. It is more expensive than the Resort Internet service billed through the association, but Comcast is faster. Owners asked about options for switching to Comcast.

Keystone News

Matt Walsh discussed various topics regarding the local community. Keystone received approval for cat skiing in the Independence Bowl. The Marriott project that was planned for the River Run area was canceled. The resort is planning to put in a new gondola that will carry more skiers per hour. The Keystone Citizens League is a good organization to join for following such community events and become involved.

Summit Daily newspapers are currently delivered to Oro Grande. Six to twelve papers are delivered each morning in a bag outside the front door. The first person to pick them up usually places them on the shelf in the building foyer.

Garage Door Openers

Additional remotes for the garage doors are on order. Owners that would be interested in purchasing a remote garage door opener for \$10 should notify Resort Quest (if they did not already note it on the owner information sheet that was passed around at the meeting).

Election of Board Members

Two positions on the board were up for vote. Fred Ravenscroft and Steve Balthazor were elected to serve on the board.

Next Meeting

The next homeowners' meeting was scheduled for **Saturday, November 10, 2007 at 1:00 p.m.**