

ORO GRANDE LODGE HOMEOWNER ASSOCIATION

ANNUAL MEETING MINUTES

NOVEMBER 14, 2009

I. CALL THE MEETING TO ORDER

Craig Boroughs called the Oro Grande Lodge Homeowner Association Annual Meeting to order at 1:04 p.m. on Saturday, November 14, 2009 in the Oro Grande Lodge lobby.

Board Members Present were

Craig Boroughs (#209),
Matt Walsh (#406),
Lane McKnight (#312), and
Lorna Kennedy (#305).

Owners Present were

Al and Jarris Sanborn (#205)
Susan Perreault (#210)
Dennis Hoke (#214)
Thomas O'Hare (#301)
Travis Leo (#309)
Matt Kelly (#409)
Tim Benke (#410)
Paul Soto (#411)
Roger & Carol Boltz (#414)

Owners Represented by Proxy were

Fred Sherman (#201)
Kathy Lambert (#208)
John Mullin (#216)
Robert Thompson (#302)
Dwayne Jenkins (#305)
Michael Stevens (#306)
Richard Guntren (#307)
Harlan Wilder (#310)
Terrence McCanna (#400)
James Armstrong (#401)
Curt Hauer (#403)
Justin Knott (#407)
Patrick Regan (#411)

Representing Summit Resort Group were Peter Schutz, Kevin Lovett, and Kevin Curry.

II. ROLL CALL; PROOF OF NOTICE

With 13 units represented in person and 13 by proxy a quorum was reached.

III. APPROVAL OF PREVIOUS BOARD MEETING MINUTES

A motion was made to approve the minutes from the Annual Meeting held on November 15, 2008 as presented. The motion was seconded and carried.

IV. PRESENTATION BY BOARD AND MANAGEMENT

The Board and Management gave a PowerPoint presentation to review numerous completed projects and various other topics as noted below.

- An owner locker is now provided for each unit and there is no longer a separate additional charge for an owner's locker. The only remaining issue is that some owners have suggested interest in switching a locker on the 3rd floor for a locker in the lower hallway or vice versa. Management has a sign up sheet for those that would like to swap lockers. It was emphasized that such swaps should be completed with communication with Management to assure the inventory of which owner lockers belong to units is maintained.
- High speed internet is now provided to each unit through Resort Internet and this service is no longer provided at an additional charge. A bulk internet service agreement is used to provide the service to each unit with costs covered in the dues. The only remaining topic is that some owners have expressed interest in have wireless service in the lobby, but there are no plans to add this service as the provider has indicated that this would only be provided if a longer contract was signed. The current contract will automatically renew for another year soon.
- Keystone had provided transportation service to Oro Grande in past years. The Association paid for the service, but service was discontinued when state regulators identified that Keystone had not satisfied the terms of their permit. Keystone has finally decided to provide free transportation service around the valley, but they will not be stopping at Oro Grande. Keystone has claimed that the buses cannot get through the parking lot (even though they did it before). The Summit Stage has constructed new pullouts on the highway next to Razor Drive for the county buses. The Swan Mountain Flyer (A-Basin to Breckenridge bus) should stop there too. Keystone Transportation will also be making scheduled stops at these pullouts with the Red route making stops during the day and the Blue and Silver routes stopping at these pullouts at night.

Owners provided numerous comments on transportation. The pullouts are not considered to be a good option because the stops still do not have an adequate area for pedestrians to safely wait for the shuttles so close to the highway. It was asked how Keystone determines where they stop, and it is expected that they will make stops to provide the minimal service required and provide the service to best meet their business needs. The contact at Keystone has been Kyle Hendricks. Doug Lovell could also be a potential contact. It was suggested for all owners to call Keystone at 496-4FUN, request to speak with Kyle, and communicate concerns with the current transportation plan. Owners noted that an on-call service from Keystone's Extended Area Service Express (EASE) bus would likely meet the needs for Oro Grande, but it is not clear if this on-call service will be included in Keystone's new transportation plan. Owners suggested for Association representatives to meet directly with Keystone transportation representatives to discuss concerns and options for getting Oro Grande included in their transportation system. Management will work to get this set up. A couple owner comments were that parking spaces in the Oro Grande lot could possibly be reconfigured to accommodate Keystone buses if this is really the only issue and the Association may want to consider seeking reimbursement for past fees paid for the transportation service given recent rulings against Keystone that resulted in compensation to other similarly affected parties.

- The fourth floor meeting room had only been used once a year for annual meetings and has now been converted into an owners lounge. A separate key is available through Management for the owners lounge. A few items have been donated by owners, so it will be maintained to be used by owners only. It simply provides a means to make better use of the space and provide an alternative area in the building for owners and their family and friends to relax, play games, or watch television. A small investment may be made to enhance the owners lounge further. It was emphasized for owners to please clean up after using the owners lounge.
- Several projects were completed in past years to address water seeping into the garage wall including gutter and heat tape work along the back of the building and a berm along the back wall covered with an impermeable liner and gravel. A berm, liner, and gravel were also added along the west wall. All of these projects appear to have addressed this issue except for some ice that built up around the spouts on the west wall last winter, so these spouts that drain from the center of the roof were repaired and heat tape was added. Also, one of the PVC pipes installed along the back wall was fixed. Hopefully with these last completed tasks, this issue will be completely addressed.
- Landscaping tasks are now completed by Summit Resort Group including mowing, pulling weeds, and some manual watering. Mature pines in the front of the building were sprayed for pine beetles. Some work was completed to the berm on the southwest corner of the property and more attention may be given to this area in the spring.

- The Spring Clean-Up Day during June was a success. Less people turned out versus the previous year, but the Sotos, Kelsos, Sanborns, Moorheads, and Walshes helped to plant several trees and apply a full load of mulch among other tasks. Another **Oro Grande Spring Clean-Up Day was scheduled for May 22, 2010.**
- The lights in the pool area are very bright, so only a few light fixtures are currently used and the lights are programmed to only be on at night to help save power. The lights get hot, so the hope is that turning the lights off will also help to control the building heat a bit in the summer. Also, the pool area is actually scheduled to close at 10:00 p.m., and having the lights turn off and keeping the pool area closed should reduce late night incidents in the pool area. The Board noted that keeping the blinds for the windows from the lobby to the pool area raised has helped to reduce incidents in the pool area. The conclusion has been that if the blinds are closed, somebody is likely up to no good.

The lower portion of the wall in the pool area was painted. The pool area doors to the patio are in bad shape and occasionally become so warped from the humidity that the doors have to be repaired. Management and owners have been monitoring the door to make sure it remains closed and latched as the door does not always latch on its own. New doors will be installed soon.

- A surveillance system is used in the building and has helped with monitoring the common areas. The computer used for the surveillance system was upgraded and appreciation was expressed to Lane McKnight who has volunteered numerous hours to get the surveillance system set up and maintained. Some sample images and videos from the surveillance system were shared at the meeting. The Board noted that the surveillance system turned out to provide some critical evidence to catch some teenagers that stole items from all around the County including items from unlocked cars at Oro Grande. The Board noted that there have been several incidents at Oro Grande including a stolen television from the lobby, fire extinguishers being sprayed all over the pool area, vandalized cars and motorcycles in the garage, and an abandoned stolen car at the end of the back fire road. Recently, a drunk driver abandoned his car in front of Oro Grande and was fleeing the authorities before being apprehended in the woods behind the building. The Board said the surveillance system is needed and also emphasized that owners need to help to make sure all doors are kept closed and the building remains secure.
- The Board noted that dealing with transgressions related to Rules and Regulations has been the most frustrating aspect of serving on the Board, and the Board specifically asked all owners to please help with obeying all the rules. The Board noted that the rules have never been changed and all efforts to see that the rules are enforced are completed at the wishes of all owners. The Board specifically asked for everyone to pick up after their pets, not leave garbage bags in the hallways or garage, to not leave doors propped open, and to not take glass into the pool area. Trailers are not allowed, and charcoal grills cannot be used on the balconies per County regulations.

One parking space is allotted for each unit in the garage with one additional space in the parking lot. The hope is that parking passes will not have to be used for a while, and the Board asked owners to please not park more than one vehicle in the garage during busy periods and this should really help to avoid having to use parking passes in the future. Management has been communicating with those that have multiple cars to specifically note that only one car is permitted in the garage for each unit.

- New keycards for the building were issued and effective on October 28th. The eight provided keys are good for one year. Issuing new keys every year may be a bit of a hassle, but it really helps to prevent keys to the building from floating around and prevent incidents with people that are not owners and not staying at Oro Grande from getting into the building to use the hot tub or whatever else. Keycards for the doors to rental units are administered by the rental agents with separate common area keys provided by Summit Resort Group. It was asked how many keycards owners would like to have. Owners generally felt having eight keys is appropriate.
- Natural gas is the biggest expense in the budget. A plot was presented of the variation in natural gas prices over the past several years, and the Board noted that this trend has affected dues. There was a significant dues increase after natural gas rates increased significantly after Hurricane Katrina, and as prices came back down, those savings were used to absorb other increases in the budget and dues did not have to be increased for a couple years. A significant dues increase then occurred for 2009 as natural gas prices had risen, but rates have subsequently decreased again and this decrease has allow for other increases in other areas in the budget to be absorbed by a decrease in the natural gas budget; thus, no dues increase for 2010 was proposed. Some homeowners associations prefer to implement small predictable 2% increases in dues every year, but the trend for the Oro Grande Association has been to respond as needed which is largely a function of natural gas rates. Management has been working with the natural gas utility to lock in prices and protect the budget whenever possible. A lower rate has now been locked in for a majority of the projected natural gas use through 2010.
- New laundry machines will be installed in 2010. The plan is to try to use the current machines through the busy holiday period, but if a machine breaks, no more funds will be used to fix the current machines. Management has made it a priority to assure the four washers and four dryers stay functional and the dryer vents were recently cleaned, but the dryers still do not work well. Laundry income is still up and the Board thanked Summit Resort Group for looking out for the Association and assuring that the quarters all get into the operating account. Unfortunately, adding machines to the third floor would be very expensive because pipes in the vicinity are not sized to handle two additional washers, so this option is not being pursued. The per load cost to use the new machines is still to be determined. With the current price of 50 cents, the cost for electricity and water to use the machines may be covered slightly by the regular operating budget, but

the lower cost has been implemented because the current machines do not work well and there is also the issue of assuring the quarters actually get into the operating account. It was asked if any owner would be interested in volunteering to potentially help sell the current machines to cover the cost for new machines.

- Several Reserve projects are planned. In addition to the pool doors (~\$9000) and new commercial laundry machines (~\$10,000). The exterior trim will be painted (~\$11,000) and a sealcoat and striping for the parking lot is planned (~\$5500). The current Reserve balance is \$86,600 and the budgeted contribution to the Reserves from dues in 2010 is \$20,760. With the remaining 2009 contribution from dues and subtracting the total estimated cost for the pending Reserve projects at \$35,500, it is estimated that the Reserve balance on December 31, 2010 will then be \$75,390. Owners asked Summit Resort Group if this Reserve balance seems appropriate for Oro Grande, and Summit Resort Group noted that the balance is reasonable for this sized association. Summit Resort Group has prepared a Capital Reserve Plan that indicates the Reserve balance should be fine for a few years.

The Board noted that there are different approaches that could be taken for contributing to and maintaining the Reserves. Significant contributions to the Reserves could be made to assure that future capital improvement costs are not simply passed on to future owners that could result in the need for very large special assessments in the future. Developing a good Reserve budget now would be beneficial but having high dues does not bode well for property values. Small special assessments could be made now to assure the Reserve balance is in good shape while keeping monthly dues lower. No recommendations were made for changing the approach for now. A contribution of \$20,760 to the Reserves from the 2010 dues is budgeted. Another related issue is that both regular assessments (monthly dues) and special assessments are based on unit square footage, so if a per unit special assessment was proposed, this provision in the Association Declarations may need to be addressed.

- Several repairs were completed during the past year.
 - A garage door repair was completed in July (\$511) followed by the garage door spring being replaced at \$4570. Work on the garage door keycard reader totaled \$705.
 - Repair costs for the handicap elevator continue to accumulate: 12/1/08 (\$1480), 7/1/09 (\$1231), and 9/22/09 (\$826). Owners suggested researching the cost for a new more durable lift given the continued repair costs.
 - One of the pumps used to pump hot water to the baseboard heaters was replaced
 - Work on the hot tub boiler was also required (\$2250).
 - The lobby was painted (\$1800). This could have actually qualified as a Reserve expense.
 - Hours for Summit Resort Group maintenance personnel resulted in a charge of \$18,000 over the past 12 months.

The Board emphasized that Management needs to continue to help to really watch maintenance costs and watch the use of outside contractors and their charges.

- To assure good communication with owners on Association activities, a memo was sent to owners in May with the monthly billing statements and meeting notes are posted on the Association website: http://summitresortgroup.com/hoa/hoa_oro_grande.html. A bulletin board has been added to the fitness room and such notes and memos or other notices are posted on this bulletin board.
- Signs were added to the exercise room to indicate that minors are not permitted to use the equipment. This was in response to a strong recommendation from an insurance audit that was conducted for the building. The exercise room was deep cleaned a few weeks before the annual meeting. Some dumbbells were stolen during the last busy week between Christmas and New Years, so a camera was added to the fitness room.
- Unoccupied units are inspected by Management twice a month in the summer and once a week in the winter. These inspections are very important to assure no leaks or backed up drains or any other issues are apparent and not being addressed. As an example, a drain previously clogged that is fed by multiple units and the backup into one kitchen resulted in a large insurance claim.
- The current cable contract stipulates that Encore should be provided to Oro Grande, so cable boxes can be obtained from Comcast to get Encore, but it is the owner's responsibility to pick up the cable boxes. Management said that Comcast should be aware of the arrangement and help owners directly, but contact Summit Resort Group if any more details are needed on how to get a cable box. Management has also been working to address issues with the cable signal for some specific units. Contact Summit Resort Group if you have issues with your cable signal.
- No new changes in the plans for the Sanctuary development behind Oro Grande are apparent. Two buildings will eventually be constructed behind Oro Grande, but work on these specific buildings is now not anticipated until the summer of 2011. There will be a 25 ft pedestrian setback with an additional 15 ft building set back from the Oro Grande property line. A new higher berm will be installed between Oro Grande and the buildings. It does appear that the wetlands are now receiving water. The Board has asked Management to communicate with the developers to see if the current aspen grove behind Oro Grande can be moved and maintained if at all possible.
- A new bear proof dumpster was added as a result of bears visiting our dumpster repeatedly over the past several months. Doors on the side of the dumpster slide for depositing trash bags. Owners were asked to please help by throwing trash bags toward the back of the dumpster and depositing any bags that may have been left on the ground.

Two single stream recycling containers are in the dumpster housing. Previously, one container was labeled as specific for newspapers and rarely used, so using both containers as single stream containers now should help reduce the chance that these recycling containers will overflow.

- Several other topics were discussed.
 - The garage was spray washed twice over the past year, and Management has been working to keep the garage cleaned. The Board expressed appreciation to the maintenance staff for staying on top of this unenviable task.
 - An outside helper has been completing basic common area cleaning tasks with some assistance from Summit Resort Group. This approach versus using a specific outside contractor has resulted in some significant savings on common area cleaning costs.
 - The Board noted that cleaning supplies will be provided at the 2010 Spring Clean Day. Most of the work at the 2009 Spring Clean Day was completed outside, so a good inside deep clean in 2010 would be great.
 - Owners were asked if there is any interest in a new grill for the patio and owners noted that the current grill is indeed used. The current grill does not work too well and has a broken lighter, so a new grill will be purchased in 2010. With winter imminent, the purchase may be delayed until the spring.
 - Christmas decorations will likely be put up the week of Thanksgiving. Owners were told to let a Board member know if they would be interested in helping to put up the decorations.
 - An access easement is on file with the County for access through the Arapahoe Inn parking lot. The owner of the Arapahoe Inn had previously expressed interest for Oro Grande to help cover the costs for snow removal and maintenance of the easement area, but the agreement clearly states that the owner of the Arapahoe Inn parcel is responsible for maintenance including snow removal. There were no new issues with this topic in 2009.
 - The ventilation system for the 2nd floor was turned on in July and kept on until after Labor Day. This ventilation system really helps to keep building heat down including heat in the 3rd floor hallways in the summer. Owners asked several questions about where the heat is coming from and why the hallways can become so hot. Summit Resort Group said they would continue to research the source for the heat in the common areas.
 - Exterior windows were washed in July. Specific instructions were provided to the window cleaners to be sure and not miss the triangular windows above the balconies for fourth floor units.
 - Carpets and rugs may be steam cleaned in the spring. Arrangements may be made for owners to have the carpets in their units cleaned at the same time for a discounted price. Summit Resort Group noted that owners can receive a discount at any time with their typical provider, Mountain Pride Cleaners.

- Garage door openers are available to be purchased. Contact Summit Resort Group if you want a garage door opener.
 - The bigger windows at the east end of the hallways need to stay closed as the low level of the windows has been identified as a safety concern by the insurance provider. Also, the smaller windows at the east end of the hallways have been closed for the winter.
 - The bike racks will be consolidated into one parking space for the winter but will be spread out across two spaces before the summer. Some bikes appear to have been abandoned, so a bike audit may be warranted at some point.
 - If you have problems with the timer for your fireplace, the Association will cover the cost for a replacement timer. The Association will cover this cost to simply assure fireplaces have a timer and will not potentially be left on continuously or in an unoccupied unit and waste gas or be a safety concern.
 - Summit Resort Group will be shoveling around the dumpster often again this winter to prevent icing issues in the dumpster housing.
 - Delivery of Summit Daily newspapers has been consistent lately (The Denver newspapers that are delivered to the building belong to individual owners, so please do not take the Denver newspapers).
- The Management contract with Summit Resort Group will be up for renewal in September, but the Board asked owners to please provide any comments regarding renewing the contract by the Spring Clean Day on May 22, 2010. No concerns with renewing the contract based on the service to date were expressed at the annual meeting.
 - Three Oro Grande units were on the market as of the date of the annual meeting. It was noted that it is not a good time to sell, but the Board just encouraged owners to enjoy the County and the Mountain and festivals. Keystone has installed a new skier bridge to the location of the new gondola, but other projects in their Master Plan are on hold. A beautification project is in the works in the valley to clean up the highway medians and other areas in the valley. Owners were encouraged to become involved with the Keystone Citizens League: <http://www.keystonecitizens.org>.

V. FINANCIAL REVIEW

The Board and Management reviewed the financial report with the budget and operating expenses. Despite some of the aforementioned repair costs, no dues increase was proposed, primarily due to a decrease in the natural gas costs. Natural gas was under budget year-to-date on October 31 by \$13,052. Trash removal was over budget by \$1046 year-to-date, and Summit Resort Group will be researching issues and options to address the increasing trash removal costs.

VI. OWNER FORUM

No other topics were broached for the open discussion. Owners reiterated interest in continued work to get Oro Grande back on the Keystone Transportation and clarification on some other topics of discussion. Owners thanked the Board and Management for their work.

VII. ELECTION OF BOARD MEMBERS

The term for Board member Steve Balthazor expired and was up for election.

Mike Perrault, of unit 210, volunteered to serve on the Board.

VIII. SET NEXT MEETING DATE

The next Annual Meeting was set for Saturday, November 13, 2010 at 1:00 p.m.

The next Oro Grande owner Spring Clean Day is scheduled for Saturday, May 22, 2010 at 9:00 a.m.

IX. ADJOURNMENT

With no further business, a motion was made to adjourn the meeting at 2:52 p.m. The motion was seconded and approved by owners