

June 13, 2005

Dear Ski Run Owner:

I am writing because you are one of only 5 or 6 owners who are using Key to the Rockies (KTR) as their rental manager. As you know, a letter was sent to every owner from me and mailed by KTR on February 11, 2005 advising you and the other owners that KTR was resigning as our property manager and that Wilderdest was taking over as of May 1, 2005. The letter also stated that:

“After May 1, 2005, all locks will be re-keyed to Wilderdest’s Safloc system. You will receive a key request form in the mail. Wilderdest will mail new keys directly to your address of record. If you need your keys prior to the mailing, you can note this on the form or visit their offices in Silverthorne after the re-keying is complete. If you are using a property manager to rent your unit, the manager will need to contact Wilderdest to obtain keys for your rental. Separate pool keys will no longer be needed or issued.”

Shortly before the change on May 1, Mike Magliocchetti of KTR contacted me to inform me that he would not release the locks for the units he managed. Because of the built in safeguards with Safloc, unless KTR released their codes from the locks, Wilderdest could not program the locks and issue keys to you. Mike said that he wanted KTR to control the locks of his rental units.

In the early summer of 2004, a property manager who rented units in both Ski Run and Liftside gave our pool keys to guests staying at Liftside, and told them that they could use our Ski Run pool. It was during the time that Liftside’s pool was being resurfaced for several weeks. Only two property managers had access to our pool keys and also rented units at Liftside. Neither had permission to grant access to other people to use our pool. During that same period, our pool was vandalized and a witness saw a young person leave our pool around midnight and entering Liftside. It was at that time that the board decided to no longer give pool keys to rental managers. Instead we placed pool keys into the units of any owner who had another company control their lock. A charge of \$50.00 was established to cover the cost of voiding the pool keys and reissuing them should abuses continue. This procedure was discussed during our September 2004 annual meeting without comment or objection. This does not affect owners who had one key for both their unit and pool.

To come up with a solution to KTR’s refusal to cooperate with the boards decision about having all keys controlled by our property manager, we decided as long as a rental manager agreed to be responsible for the pool keys in their units, and the locks that they controlled, we would not object and place pool keys into their units. Every rental manager agreed and signed our simple agreement except for KTR. Mike Magliocchetti stated that he would not release the locks or

sign any agreement. Therefore, if we wanted to protect our common area property against unauthorized use and vandalism, and our owners from expenses benefiting only a few units, we had to come up with another option.

The board knew that our pool area was our greatest expense and our biggest asset. The pool and our location are the main reason that Ski Run units rent well. The board did not feel that it was fair to ask the remaining 36 or 37 owners to pay the expenses involved in changing our pool locks because of a missing key for renters of a rental manager who refused to accept responsibility. All rental managers get a credit card number from their renters, and therefore had no exposure themselves. We believed that all the other owners should not have to pay the cost involved for the KTR guests, your guests, in your unit. I did not talk to any owner who was willing to pay those expenses for guests in your unit.

I purchased my first unit at Ski Run in 1988. Our dues have increased about 16% total in all those years. A few years ago, I was pleased to announce our first dues decrease. Your board spends many hours working on your behalf, without compensation, to keep our property well maintained, secure, and affordable. It is neither good business practice nor sound management to make your rental managers failure an expense to all of the other owners. So where does this leave you in relation to your association and your use of the common area pool? There are only three options.

The first option is to require KTR to release the control of the lock on your unit to the control of Wilderrest, our property manager. By doing so, Wilderrest would provide 20 keys free annually, and any additional keys needed for \$2.00/key. You could give the number of keys KTR required to them, and keep the remaining. KTR would issue keys to their renters and ask them to return them upon check out or simply leave them in the unit. KTR would handle the keys the same way as all property managers did when we used brass keys. If a guest were to get locked out, KTR would let them in using another of the several keys provided. If they failed to provide that service to your guest and Wilderrest was required to assist, it would be at your expense and between you and KTR. Should keys become missing, all keys could be voided by a simple reprogramming of your lock for the \$29.00 fee that Wilderrest charges for that service. KTR could pay that fee, you could pay it or KTR could charge the guest who failed to return the key. Usually lost unit keys, unlike pool keys, are not labeled or identified, so reprogramming is not needed other than annually as all locks should have done. This option has no more cost to you than any owner who wishes their lock reprogrammed. It is also better for your guests because many guests leave the unit and head for the pool with only the pool key and therefore get locked out, and need to call for assistance to enter their rented unit. Our board believes this to be the best option and it does not hinder your choice of rental manager in any way. This was the choice we wanted for everyone as explained in my February 11, 2005 letter.

The second option would be sign our "letter of understanding" in which you agree to be responsible for pool keys placed into your unit. Pool keys would be placed into your unit and you would be charged our exact cost for replacing and changing any pool lock because of missing keys. To void all pool keys so that the lost keys would no longer work, and to change the lock so to not accept the lost keys, would cost between \$50.00 - \$80.00 depending upon the

number of pool keys that needed to be replaced, and the time involved. You would also have to agree to pay the cost for Wildernest to help your guests enter your unit should KTR fail to respond to their request for assistance. Our association will maintain the lock, clean it and change the battery as they do for all units. Our agreement asked KTR to leave the lock alone except for the making of keys and helping your guests enter. Should they do anything else and damage the lock, we would expect you to pay for the replacement or repair if KTR breaks it. It is up to you, and not the association, to collect funds from KTR for the breakage, since it is you who has a relationship with them, and not your association. Finally, if our property manager cannot enter your unit in an emergency, and our common area property is damaged as a result, you will be required to pay for that damage. The agreement we wanted KTR to sign, required them to provide a current emergency level master key so your unit could be entered. This is required by our declarations. If you wish to sign our "letter of understanding" which lists the items shown above, Wildernest will place pool only keys into your unit and your rental manager will continue to rent your unit.

The third and final option is for you to use another rental manager. We are not recommending this option, but it does exist.

The choice is yours. The board and our property manager reviewed all possibilities. We have spent hours looking for a solution. Without unfairly causing the other 36 or 37 owners to pay the expenses for your unit, you or your rental manager must pay them. They are a cost of doing business. If your rental manager chooses not to, and you will not require them to release your lock, you must pay the costs involved.

To have Wildernest control your lock and provide you keys that fit both the pool and your unit, simply instruct KTR to release your lock and inform Pat Rice at Wildernest as to the number of keys you require. To sign our letter of understanding, contact Pat Rice. After it is signed, pool keys will be placed in your unit. You need no direction if you decide upon the third option.

Our entire board has spent hours on this matter and is in complete agreement as to the fairness of the choices listed upon the entire group of the 42 Ski Run Owners.

Sincerely,

Alan Friedman
President, Ski Run HOA