

RESORTQUEST®

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Homeowner Newsletter — Keystone

CONTACT INFORMATION

Christopher Love

General Manager
Breckenridge & Keystone
970.453.4000 xt.3256
clove@resortquest.com

Andru Zeiset

Assistant General Manager
Breckenridge & Keystone
970.547.3403
azeiset@resortquest.com

Sarah McDermott

Director of Property Mgmt.
970.547.6006
smcdermott@resortquest.com

Blythe Rahm

Director of Homeowner Services
970.547.6018
brahm@resortquest.com

Lindsay Brece

Homeowner Liaison
970.547.6019
lbreece@resortquest.com

Stacie Kerr

Homeowner Association Mgr.
970.547.3240
skerr@resortquest.com

Annette Kubek

Property Specialist
970.547.3241
akubek@resortquest.com

Owner Hotline

877.225.1226

Front Desk Direct

970.262.9845

News from the General Manager

Dear ResortQuest Homeowner,

Welcome to spring in the High Country. As of this newsletter, Breckenridge has received over 300 inches of the white gold we all love to play in. The snow this season has been fantastic and now we are seeing the sunny days that define true spring skiing.

During the first three weeks of April, the town of Breckenridge will be hosting the annual Spring Massive Festival. Starting April 5th, we have Grammy-nominated, country music star JoDee Messina performing on our own Main Street Station Stage. The following weekend we will host the 2nd Annual Massive Beer Festival, also at Main Street Station. It will be quite an exciting April and a good way to end a phenomenal season.

Along with all the good news about this spring, we also had a shift in management here at Main Street Station. If you have not heard, Robert Stenhammer has moved over to the ResortQuest operations in Hilton Head, S.C.

With that being said, I would like to introduce myself. I am Christopher Love and will be taking

on the role of General Manager for ResortQuest Breckenridge and Keystone. I am a native of this great state, growing up in Boulder. I went to Colorado State University for my undergraduate degree and earned my MBA at the University of Denver. I have been in hospitality management for over 20 years working in various locations along the way.

I started my career at Keystone in 1988. A couple years later, I moved to Denver to work at the Hyatt Regency. I was then transferred to Maui to work at the Royal Lahaina Resort on beautiful Kaanapali Beach. I missed the mountains, so I moved back to work for Copper Mountain Resort. While I was there, another opportunity arose in Keystone as the Senior Property Manager in River Run. In 2005, I joined the Hyatt Vacation Club as the Resort Manager for the Hyatt Residence Club here at Main Street Station. In this role, I have been involved with both ResortQuest and the community of Breckenridge. Robert and I worked closely together through many association, homeowner, staffing and property management issues. We were present at common association meetings, and dealt with many of the same owners and developers through the

past years. This should help make the transition smooth and seamless. I am familiar with property management and hospitality, and

you should not see any major changes or shake-ups with this new move.

I would like to personally invite you to come by my office or drop me a line if there is anything you would like to discuss. My door is always open, and any comments are welcome.

I look forward to seeing you all in the future.

Warm Regards,
Christopher Love
General Manager
ResortQuest Breckenridge & Keystone



Domus Pacis Family Respite

Domus Pacis, which is Latin for "House of Peace" is a new 501(c)(3) non-profit organization in Summit County. Their mission is to offer individuals who have suffered a traumatic medical event a homelike environment that encourages interaction with other family members and caregivers in a comfortable and peaceful surrounding. If you are interested in helping by offering your Summit County home for one week between June and September, please contact Mary Louise White-Petteruti at 970-547-4745.



River Run Village

Homeowner Services—Spring Updates

Hello, Summit County Homeowners!

We hope you are all doing well! ResortQuest Summit County owners have just enjoyed one of the most impressive ski seasons yet, with one month still left to go. As we begin transitioning into the spring season, we want to keep you updated on a few items.

SELF RENTAL PLAN

Some owners currently choose to supplement rental revenues by participating in self rental programs, such as VRBO.com. ResortQuest would like to help facilitate in this process, and will be offering a self rental contract option for owners. A mailing will be sent shortly outlining the details, so please be on the lookout for this information, and let us know if you are interested.

OWNER REFERRAL PLAN FOR GROUP BUSINESS

ResortQuest would like to reward our owners for any group meetings, conferences, or other group business you may bring to Breckenridge. Owners can earn a five percent (5%) commission for any group revenue referred to ResortQuest Breckenridge and Keystone. For additional information, please contact Rafi Fernando, Group Sales Manager at 970-547-5999.

SPRING SERVICES

It is that time of year again when we will begin the process of deep cleans, carpet cleans, preventative maintenance inspections, and billing of linen leases. This is a great time for owners to consider upgrades, and to perform any scheduled remodeling. We will be providing owners with a list of preferred contractors, as well as bulk purchase deals on commonly upgraded items. Please keep an eye out for this information that will reach you shortly.

Blythe Rahm | Director of Homeowner Services | ResortQuest Breckenridge & Keystone
Lindsay Breece | Homeowner Liaison | ResortQuest Breckenridge & Keystone



Blythe Rahm



Lindsay Breece

Headlines from Your Keystone Manager

Dear Keystone Homeowners,

Thank you all for a wonderful 07-08 season!

It seems like only yesterday we were all concerned with a lack of early season snow, and then all of a sudden the snow started and seemed to never stop! What a fantastic year.

I have had such a wonderful time working in Keystone and getting to know each of you. However, I have recently accepted a promotion to serve as the Resort Manager for the Hyatt Residence Club at Main Street Station in Breckenridge and I will be moving on to my new post at the end of March. I will make every effort to insure that my transition will be very smooth and I will always be available to the new Director of Operations in Keystone if any questions arise.

I am confident in the wonderful staff we have here in Keystone. Lyndsay Haywood, our Front Desk Supervisor and Barbara Lalor, our Housekeeping Inspector will continue to offer guests and owners the excellent service that you have become accustomed to. We are also happy to welcome Andrew Pruitt to our Keystone team. Andrew is our new maintenance technician. He has been living in Summit County for about two and half years and has a lot of general maintenance and plumbing experience.

Thank you again for a wonderful 07-08 Ski Season; it has been a true pleasure working with each of you!

Jodie Willey | Operations Manager (former) | ResortQuest Keystone



Jodie Willey

"I just wanted to give kudos to one of your team. From my experiences, Lindsay is very responsive to our needs as owners. I send emails quite often to change a reservation, or with a statement issue and she is always very timely, professional and friendly in her responses. I had an issue today where on my recent statement was a cleaning charge that my guest paid for and she took care of it. She then reviewed my account and told me of another guest charge that was incorrectly there for next month's statement. That was very proactive to review to avoid having to talk about this next month again. I really appreciate having her on the team up there and it has been a pleasure working with her this year."

Thanks! Mark Holst, March 13, 2008

News Clips: Keystone Resort Announces New Gondola Plans for 2008–2009

Keystone announced plans to install a new state-of-the-art eight-passenger gondola to replace the current six-passenger River Run Gondola for the 2008-2009 ski and snowboard season. A key component of the plan includes moving the bottom terminal of the new River Run Gondola into the River Run Village, significantly enhancing the guest experience for both River Run destination guests as well as day visitors parking at the River Run Village, by making access to the gondola easier.

According to Pat Campbell, chief operating officer for Keystone, the new state-of-the-art River Run Gondola represents the first step in future development for Keystone. "The new River Run Gondola will represent the most significant on-mountain project at Keystone since the opening of the Outback Mountain in 1990 and will be the largest on-mountain project for Vail Resorts next year," Campbell said.

The upgraded River Run Gondola will follow the same alignment as the existing gondola with the top terminal located in the same location at the summit of Dercum Mountain. A new mid-station will be constructed halfway up Dercum Mountain with loading and unloading in both directions, giving skiers and snowboarders an option to access the upper trails from mid-mountain and to download at the end of their ski day.

"We're making a deliberate decision to upgrade the guest experience by significantly shortening the walk to the new gondola from the village or parking lot, improving access to the mountain and increasing the capacity of the gondola," Campbell said. According to Campbell, the new cabins were designed with passenger comfort in mind with floor-to-ceiling windows providing the best possible view and with room to accommodate skis and snowboards inside the cabin. Additionally, the new gondola will offer level walk-in heated load and unload stations to provide convenient access for wheelchairs, mountain bikes, strollers, sight seers, mountaintop tubing hill guests and night-time dining guests.

Construction for the gondola is expected to begin April 2008 with a planned opening for the 2008-2009 ski and snowboard season.

Homeowner Association Management—A Community Affair

The Management of Homeowner Associations is a job unlike any other. Those of us who have chosen this profession realize that Community Associations and the management of them is a great opportunity to communicate with those who are often only in our community a few weeks a year.

There are many kinds of communities in Colorado but the communities here in Breckenridge have a few differences that make them unique. In most cases the owners of individual units live out of state and are not always aware of the goings on in Breckenridge at all times. While we, as the manager, are in a position to get things taken care of in your second home we are not always in a position of being able to talk to every owner directly.

I would like to take this opportunity to provide a quick overview of Association Management::

The primary purpose of a **Community Association** is to provide for the governance, business and communal aspects of the association.

- All Associations have a **Board of Directors** whose fiduciary duty it is to act in the best interest and for the benefit of the corporation, thus the community as a whole. The Board of Directors is required to avoid conflict of interest and acting out of self-interest.
- The **Association Manager** has the role of providing information, training and leadership on community associations living to the board, committees, and the community at large.
- The **Owners** have the responsibility to read and comply with the Governing documents, Maintain their property according with established standards, treat association leaders honestly and with respect, vote in community elections and on other issues, pay association assessments and charges on time, request reconsideration of material decisions that personally affect them, provide current contact information to association leaders or managers to help ensure they receive information from the community, and ensure that those who reside on their property (e.g., tenants, relatives, friends) adhere to all the rules and regulations.

We are all on the same team with the common goal of providing a communal basis for preserving, maintaining and enhancing your homes and property. Please take the opportunity to stop by the Community Association Office located at Main Street Station and visit both Stacie Kerr and myself, Sarah McDermott, we are happy to be working with your Board of Directors and look forward to meeting each and every one of you.

Sarah McDermott | *Director of Property Services* | *ResortQuest Breckenridge & Keystone*
Stacie Kerr | *Homeowner Association Manager* | *ResortQuest Breckenridge & Keystone*



Sarah McDermott



Stacie Kerr

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REAL ESTATE SALES

NEW 1031 EXCHANGE GUIDELINES

Effective for property closings after March 9, 2008, the IRS will not challenge whether a vacation property qualifies for 1031 Exchange treatment. To help clarify 1031 treatment, the IRS recently released **Revenue Procedure 2008-16**: definitive guidelines for a safe harbor vacation home 1031 Exchange.

To meet the criteria of the safe harbor requirements, during the 24 months prior to selling the property or 24 months after acquiring the property, the owner must:

1.) rent the property at a fair market rental rate for a minimum of 14 days during each 12-month period.

AND

2.) limit personal use to 14 days (or 10 percent of the total nights rented at fair market rental rate) during each 12-month period.*

*Please contact one of our experienced brokers if you have additional questions regarding this information. Or, seek professional legal or tax advice as this information may not pertain to your particular situation.

Our Team



Darcy
Lystlund



Jon
Brode



Keith
Kirchner



Roman
Nowakwisky



Scott
Grow



Roe
Schardt

For more information on ResortQuest Real Estate, contact us:

Breckenridge
505 South Main Street, Ste. C2
Toll-free: 800.821.1365 Local: 970.547.3300

Keystone
70 River Run Road, River Run Village
Toll-free: 800.821.1365 Local: 970.262.9845

E-mail: summitsales@resortquest.com

CONGRATULATIONS TO OUR STARS OF THE MONTH!

October 2007

Sue Oberholtzer

RML Housekeeping Manager

"Sue is an amazing asset to our company. Her dedication to RQ astounds me - she's given well over a decade of quality service to guests, owners, and coworkers. It's really comforting knowing that Sue is on our team- she's incredibly dependable!"

. She takes time out of her busy day to



November 2007

Kimberly Cronkhite

Staff Accountant

"Our department has downsized and over the past six months Kim has been taking on additional workload with ease. She is organized and extremely detailed. Her ability to multi-task and get her workload done is amazing. She is pleasant and is never stressed about her workload."



December 2007

Chris Garrison

Main St. Station Guest Services

"Chris was awarded the EOM for December 2007 for the 12 and 14 hours days he has pulled in helping with front desk, bell, etc. Also, for being here for the power outage and I-70 road closures and much more."



January 2008

Barbara Lalor

Keystone Housekeeping

"Barbara has continued to grow in her position and always goes above and beyond. Barbara has also been helping out with maintenance items in units, re-hanging closet doors, fixing garbage disposals etc. Barb is definitely a team player and is a delight to work with."



Leader—3rd Quarter

Annie Turri

Director of Marketing

"Annie is amazing- she is one of the hardest working people in RQ. Her vast knowledge of ResortQuest and attention to detail in everything she takes on keeps our operation running as smoothly as possible. She always has a full plate, but somehow makes time to help you if you need her. She is constantly thinking of the entire team and organization, which is essential to our company's success. Solid, dependable, reliable, intelligent, and conscientious."



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SKI & SPORT

Valid till 4/19/08 at ResortQuest Ski and Sport Breckenridge & Keystone only. May not be combined with any other promotional offers. One coupon per customer.