

Executive Board Meeting Minutes

Steamboat Grand Resort Hotel Condominium Association, Inc

August 15, 2007

9:00 AM at the Slopeside Owners Club

Board Members

Present: Joe Fogliano, David Zedeck, Steve Traudt, Mike Lomas

By Phone: Laurie Good, Greg Magee, Ron Belin (joined the meeting in progress)

Absent:

Others Present: Kevin Gilman, AAAA; Sherri Sweers, Counsel; Stacy Huffman, SSRC

Proceedings

The meeting was called to order at 9:00 by the President, Joe Fogliano.

Quorum was established.

Notice of meeting was provided by email on August 7, 2007.

Meeting Minutes from the June 25 meeting were reviewed.

Motion: Mike moved to approve the minutes as presented; Greg seconded.

Motion passed

9:02

The retroactive Fee Agreement was discussed and it was determined that neither the budget nor management agreement were contingent on approving the Fee Agreement. The revised Fee Agreement preserves the Association's right to contest the purchase of the garage. The status of the garage note was discussed and there has been no progress with Intrawest.

9:17

The new owner parking permit policy was discussed. 4 complaints have been received from local owners. The policy was clarified as one year round hard plastic hanging pass per ownership unit, plus a temporary pass upon request for owners who are in residence in their unit or in a space available unit. Managing the use of the garage now may lead to additional revenue producing opportunities later, such as selling season parking passes.

9:48

The Steamboat Ski and Resort Corporation management agreement was discussed.

Motion: David moved to approve the management contract; Greg seconded.

Discussion included the three year term and the insurance provisions. Since the health club exclusivity and the common area lease agreements are separate agreements, the management agreement has addressed all outstanding issues. Motion passed unanimously.

9:54

The Association Accounting and Administrative Assistance LLC contract was discussed.

Motion: David moved to approve the accounting contract; Joe seconded.

Discussion included the agreement running concurrently with the SSRC management agreement, and the inclusion of last minute changes. David Nagel

reviewed the final version without changes. David Zedeck compared the final version against his notes. The vote was temporarily tabled.

10:02

Ron Belin joined the meeting by telephone. After a brief recap the discussion turned to the 2007-2008 budget. Laurie reviewed the final changes to the budget.

Motion: Laurie moved to approve the 2007-2008 budget; Greg seconded. Discussion included the decrease in dues of 7.6% and the inclusion of the settlement of contingency fees related to the consulting services. Motion passed unanimously.

10:15

The **Motion** to approve the accounting agreement was brought back up, and David amended his motion to specify that the version being approved is the one in David Nagel's (Association Counsel) possession. Motion passed unanimously.

10:16

The plan for office space in the owners lounge was discussed, with the intention of having the work done before ski season.

Motion: David moved for the management company to solicit bids for converting the alcove into a suitable office; Steve seconded. Discussion included alternative designs, costs, and locations. Motion passed unanimously.

10:27

The advantages of using an additional bank to increase FDIC coverage of Association funds were discussed. The advantages of relationships with other banks was also considered.

Motion: David moved to establish up to two additional bank relationships of up to \$100,000; Steve seconded. Motion passed with one nay.

10:33

The Routt County Assessor is ignoring the sale of units at auction as comparable sales and the garage is being treated as commercial space. A local property tax expert has been retained to help appeal.

Motion: David moved to retain John Holloway to appeal in Routt County Court; Steve seconded. Discussion included a potential cost of \$10,000 versus a potential cost savings of \$160,000 on residential units plus the garage. Motion passed unanimously.

10:49

Communication Committee Report: Web site is still under construction, and it will be one by October. The owner reservation fee, parking permit policy and budget savings need to be communicated to the owners, prior to the annual meeting.

11:02

Management Report: Rental business has been very good, with less conference business but good sports team and independent business. The AAA inspector reported that the King Deluxe unit was not large enough to meet four diamond standards, and that the

Cabin restaurant should be open seven days a week. The King Deluxe will now be packaged with the parlor as a “Grand King” to exceed guest expectations. It is anticipated that a very tight labor market will lead to staffing challenges this winter. The street front retail shops will now be in the room compendiums and will have one board in the elevator at cost. The unit upgrade program will need to keep pace with the new competition that is now being developed. A three year plan is being discussed. So far this summer 16% of paid occupancy have also paid for parking in the garage. This will increase once Ski Corp takes over management of the Ski Time Square parking garage. Storage in the garage was discussed as was the slope side ski storage.

11:37

Annual meeting: The bylaws specify the second Saturday in October (October 13th) and in prior years a Friday night welcome reception has been hosted by Ski Corp. The Association will now host this. The budget will be approved and ratified. Policy changes will be discussed. Directors terms expire for Greg Magee and Laurie Good. Both will stand for re-election and other nominations will be solicited. Steve volunteered to draft a preliminary agenda.

Next Board Meeting: Was scheduled for Friday morning 10/12.

11:50

Motion: Ron moved for adjournment; David seconded.

Motion passed