

Board Meeting Minutes

Steamboat Grand Resort Hotel Condominium Association, Inc

May 13, 2008

10:00 AM in the Saddle Creek Room

Board Members

Present: Joe Fogliano, David Zedeck, Ron Belin, Laurie Good, Mike Lomas

By Phone: Steve Traudt, Greg Magee

Absent:

Others Present: Kevin Gilman, AAAA; Lynaia South, Legal Counsel; Stacy Huffman, SSRC

Proceedings

(1 minutes into recording)

The meeting was called to order at 10:02 by the President, Joe Fogliano.

Notice of meeting was provided by email on May 11, 2008.

Meeting Minutes from the February 11, 2008 meeting were reviewed.

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

Motion carried.

Legal Business

Lynaia South of Feldmann, Nagel and Associates updated the commercial board seat issue. In order to be compliant with the bylaws and declarations Steamboat Ski and Resort Corp has transferred three units to a new entity. A resolution was presented acknowledging the resignation of Laurie Good from the Board as representative of SSRC.

Motion: Mike Lomas, as the other commercial board member, nominated Laurie Good as an officer of Walton Pond Apartments Inc, the owner of C10, C14, and C18. Ron seconded. Motion carried.

The resignation also created a vacancy in the Treasurer position, which will be addressed at another time.

Motion: David Zedeck moved to ratify all of the Board's prior actions during the time when the commercial board seats might not have been in compliance. Greg seconded. Motion carried.

Lynaia presented a standardized independent contractor agreement and recommended that it be utilized whenever possible. A few minor modifications were suggested and will be incorporated in the final document.

Motion: Greg moved to approve the agreement as modified. Laurie seconded. Motion carried.

(29:45)

Lynaia mentioned the budget approval process as an item to be reviewed as part of the effort to update the Bylaws. She has also developed a legal audit questionnaire to help the Board better understand and oversee the operation of the Association.

Negotiations with Intrawest continue regarding the settlement of the garage mortgage issue, but the tolling agreement has not been executed. Given the time it will take to approve a comprehensive agreement it is necessary to avoid the statute of limitation by executing the tolling agreement.

Motion: David made a motion to employ Feldman Nagel and Associates to begin drafting a complaint against the appropriate parties on June 1st if we don't have the tolling agreement executed by that date, and to send a letter to that effect to the appropriate parties. Greg seconded the motion. Motion carried with five in favor and two abstentions.

(60:00)

The special membership meeting on the proposed settlement, which will require a vote of the membership because of the transfer of common elements, was discussed. The main challenge will be getting a super majority of the members to participate in the voting process.

Collections issues were discussed and there are four fractions that are progressing toward foreclosure. The mechanics of foreclosure were also discussed in detail.

(1:20:00 *Lynaia left the meeting*)

The use period calendar requires that eighth shares include one week a year that does not alternate as one would expect. The Board decided to continue the current practice of putting the back to back adjustment in February and March.

The Lodgenet in-room entertainment system was discussed. To upgrade to a contemporary service will require rewiring the units. If this option is implemented the revenue from the new system will be split with the Association.

Communication Committee

Options to better facilitate owner unit swapping were discussed, but were considered cost prohibitive at this time. The newsletter and the need for more content to be contributed was discussed.

Amenities Committee

The allocation of parking was revisited, and there was no change suggested. The First Tracks program worked well last winter, and the Après Ski program was much less expensive than prior years. Although Ski Corp administers the slopeside ski storage amenity, they will no longer be replacing lost equipment. Traffic flow changes within the ski storage facility worked well. A ski valet program will be evaluated for next ski season. The changes to the vending machines that was implemented in March is also working out well. Commissions on the ATM machine that sits in the common area were requested.

Finance Committee

Late payments are gradually rising, possibly related to national economic trends. Through ski season utility expenses were within budget, and are being closely monitored

General Manager's Report.

The RCI owner trading program is being compared to a competing program offered by Intrawest. Mike is recommending that the Association cancel the RCI contract. Owners who are currently RCI members would continue to be members, but new owners would not be able to join RCI. The pool has been closed for maintenance, and is almost ready to reopen. The "green theme" is continuing to be expanded upon. The spring carpet replacement project is proceeding ahead of schedule. AAA recommended that a curved shower rods be installed, and

that project is now complete. They also recommended the installation of makeup mirrors, which is currently in progress. Windows that have fogging problems are continuing to be replaced. There is an opportunity to improve the speed of the wireless internet connection, if the Association allows the provider to install antennae on the building. Additional research needs to be done on this. The replacement TV program scheduled for this fall was discussed. Various installation options are being considered.

(2:32:00)

New Business

Units 552 and 501 are wholly owned and both owners have requested that their units be classified as pet friendly. The change was approved.

The Shops at the Grand would like to replace the street front windows with clear glass, instead of the current darkly tinted glass. All windows will need to be consistent and the shops will have to bear all costs, and the project must be completed in three months.

The Board supports the request to the planning commission to temporarily change the designated use of unit C8, to allow a real estate show room.

The first proposal to modify the roof to reduce the need for snow removal has been received. A committee meeting will be held on May 14th to review the proposal.

A proposal was presented to reduce credit card fees by providing a higher level of service for owners who pay by ACH automated bank charges, which are cheaper to administer. For owners who sign up for the optional program, their bank accounts would be debited or credited each month depending on how much rental income they received. The extra work required by this program could be offset by requiring everyone who pays by credit card or ACH to receive their billing statements via email. Refunds of rental credits by check would be limited to once a year, to coincide with the November quarterly billing. Additionally, a \$25.00 collection fee for NSF checks, declined credit cards or uncollectible ACH drafts would need to be implemented. The Board agreed that the NSF fee was reasonable regardless of this proposal.

Accounting issues need to be resolved before closing the yearend books. Timeliness of the Ski Corp billings remains a problem.

The Board Meeting ended as the annual Budget Ratification meeting began at 1:40.