

**MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE
STEAMBOAT GRAND RESORT HOTEL & CONDOMINIUMS ASSOCIATION,
INC (THE 'ASSOCIATION')
WEDNESDAY FEBRUARY 28, 2007
STEAMBOAT SPRINGS, CO**

I. Call to Order

Joe Fogliano, President of the Association, called the meeting to order at approximately 11:05am. Four of the Board Members were in physical attendance: Joe Fogliano, Greg Magee, Steve Traudt and David Zedeck. Three members called in: Ron Belin, Stan Hansen, and Betsy Wallace. Also in attendance was Sherri Sweers, the Association's Legal Counsel, Mike Lomas, Hotel General Manager, Laurie Good, SSRC Vice President of Finance, Stacy Huffman, Association's minute taker and Director of Owner Relations, and Ed Anderson, Association's Accountant. Mr. Fogliano established that a quorum was present to conduct business. The meeting proceeded in accordance with the agenda contained in the stated notices except as otherwise noted herein.

II. Ratify the minutes from the Board meeting held on January 11, 2007

Steve Traudt had one correction to the minutes from the meeting held on January 11, 2007. He was not asking the Association to obtain an appraisal, but suggesting if they move forward with refinancing they will be more than likely required to obtain an appraisal. Steve Traudt motions to approve the minutes from the January 11, 2007 meeting with the one change, Stan Hansen seconds, all in favor.

III. Results of quarter to eighth share vote

Sherri Sweers and Stacy Huffman presented the results of the vote to allow quarter-share owners to subdivide their units into eighth shares. Approximately 72% of the owners turned in ballots for the vote, which did meet quorum. Out of the 72% only 24.6% were in favor and 52% were against amending the condominium documents. Sherri and Stacy will be forming a letter on behalf of the Board to be sent to the association members with the results. The Board is asking Sherri if they are vulnerable to a challenge from owners on the letter that was written by Chris Diamond regarding the quarter-share owners subdividing their units. David's opinion on this matter is no. The Board has a letter and the owners can say what they want, but we as a Board have bylaws that we follow and attorney opinions we followed, we have met quorum and if we tally all owners that did not vote it would still not have passed.

Sherri has brought to the Board's attention that there is confusion by owners as to who she represents. According to Sherri she represents the Board and the association, but not individual owners.

IV. Committee Designations

Joe suggests that the Board form committees to look into different issues with the owners. Ron wanted to make sure that committees would not run the Board, but that the committee would then report back to the Board with their suggestions. Joe suggested the following committees be formed: Owner perks/amenities/communication, manager relations/budgeting/cost control, revenue enhancements/marketing, and legal issues. Mike Lomas voiced his concern with the revenue enhancement/marketing committee from the management company perspective. The Board agreed not to assign the committees right at this moment, but would as the meeting progresses with issues.

V. Garage Note

The Board has drafted a letter to be sent to Intrawest after the closing has occurred, informing them of their concerns as the Board for the Home Owners Association at the Steamboat Grand. Betsy informed the Board that Textron did state the note on the parking garage is legal and they currently cannot find a copy of an appraisal for the parking garage when the note was formed. Steve brought to the attention of the Board the process they will need to go through and the costs associated with refinancing the parking garage. The Board has decided to wait 30-60 days and talk to Intrawest regarding the parking garage note.

VI. Ski/Boot Storage

Joe has provided a list of alternatives for the ski/boot storage area. The ideas are to do nothing until crisis point, stay with the communicated plan, rearrange present space for more efficiency, build off-season storage space in the hotel, and allocate storage. Comments were made that doing nothing and to stay with the original plan communicated to owners to have all equipment removed by the end of the season is not the way to proceed at this time. Joe has also communicated with a number of other condo facilities in Steamboat as to their ski/boot storage during the ski season and off-season. Most facilities do have a similar arrangement as the Steamboat Grand. David suggests that this issue be address by a committee and presented to the Board. **Ron Belin and Greg Magee have volunteered to be on the committee to review the ski/boot storage options.** Greg will be drafting a letter to all owners and Stacy Huffman will distribute via e-mail or mail.

VII. Kevin Gillman Activities

David Zedeck has recently been in contact with Kevin Gillman about their current agreement. David is suggesting that the Board hire Kevin as the full time accountant for the association, but is unaware if Kevin would even accept their offer. It is in agreement that the current contract with Kevin is not working as they had planned. Stan is suggesting that the Board hold off on hiring Kevin full time until after the

management contract is signed. Stan thinks that the Board could use this in their negotiations of the contract.

VIII. Ski area sale/Management Contract

Joe is looking into bringing in other bids for the management contract. The Board will need to understand the value of the commercial space that is needed to run the hotel and their costs. Steve believes that the Rental Management Agreement should be including in the Management Contract. **Joe Fogliano, David Zedeck, and Steve Traudt have volunteered to be on the committee for the management contract.** The Board will ask Kevin Gillman to work as a consultant for the Board during the management contract negotiations.

IX. Relationship with ASC Grand Resorts

The current President of the Home Owners Association at Mount Snow's Grand Summit has contacted Joe. Mount Snow would like to continue the Space Available privileges past the end of the current ski season. Stacy brought to the Board's attention that owners of the Steamboat Grand do not use the Space Available privileges at the current American Skiing Company Resort as much as other ASC owners do at the Steamboat Grand. The Board has decided not to proceed with this offer, but look into forming a relationship with the Canyons in Park City, UT for Space Available.

X. Budget Process

Ed Anderson and Laurie Good presented the financial information for the months of December 2007 and January 2008. (Please see attachments for more details) Ed and Laurie have provided a time line for preparing the 2008 fiscal years budget according to the condominium documents. The plan includes meeting with the Board on March 28, 2007 to adopt the budget and April 25, 2007 would be the ratification meeting open to all members. There was discussion as whether or not to proceed with this plan or to wait until the new management contract is in place. **Steve Traudt, Ron Belin and Greg Magee have volunteered to form a finance committee to work with Ed and Laurie on preparing the budget.** Laurie informs the Board that approximately 80% of their costs are fixed and only 20% are variable. Ron suggests that we continue with planning the budget as presented and Steve agrees with Ron. **Greg Magee motions that the Board meets on April 4, 2007 at 9am to adopt the budget for fiscal year 2008, Joe Fogliano second the motion, all in favor.**

XI. Communication with Owners

The Board would like to increase the communication to owners. Mike Lomas has informed the Board that he is currently looking into a third party for a new website for the owners. This website would give us the ability to post minutes and keep the owners more informed compared to the current website. Board is asking that the

minutes from the meetings be sent to all owners once the Board has reviewed them.
Greg Magee, Joe Fogliano, and David Zedeck have volunteered to be on the committee to review and increase communications with the owners.

XII. Management report

Mike Lomas presented the management report to the Board. Mike has been reviewing the current insurance policy for the association and has received a quote from the Fireman's Fund at a lower rate than what the association is currently paying. There are a few improvement areas addressed included the carpets in the individual units and gutter replacement. Mike is currently working on getting a number of bids for the replacement of carpet in the individual units. The restricted access to the 7th floor penthouse units has been completed. Mike has been in contact with Bob Weis, a local planning attorney, to review the 19.96 acres of open space. Weis feels that it is legally possible to subdivide the land, but probably will not go through once it is at the city level for approval.

Mike presented an update to the Board from the Shops at the Grand. They are still concerned about the water leaking into unit C-7. Mike feels confident that the current solution that is in place will hold up during the spring run-off. There is a plan in place if this solution fails during the spring run-off.

XIII. Other Items

Ideas for photo identification for owners and parking passes has been presented to the Board. Everyone is in agreement that this would be a good solution to mitigate the abuse to the facilities and benefits for owners.

David would like the Board to revisit the policy of reimbursement of travel expenses for Board members at the next meeting.

Steve motioned to adjourn the meeting at approximately 2:30pm, David seconded, all in favor.