

**MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE
STEAMBOAT GRAND RESORT HOTEL & CONDOMINIUMS ASSOCIATION,
INC (THE 'ASSOCIATION')
THURSDAY JANUARY 11, 2007
STEAMBOAT SPRINGS, CO**

I. Call to Order

The meeting was called to order at approximately 1:05pm by Joe Fogliano, President of the Association. Four of the Board Members were in physical attendance: Joe Fogliano, Stan Hansen, Betsy Wallace, and David Zedeck. One member called in: Steve Traudt. One member was not in attendance: Ron Belin. Also in attendance was Sherri Sweers, the Association's Legal counsel, Chris Diamond, President of SSRC, Mike Lomas, Hotel General Manager, Laurie Good, SSRC Vice President of Finance, Sarah Nielsen, the Association's minute taker and Director of Owner Services and Stacy Huffman, Assistant Owner Representative. 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. Resignation/Replacement of Board Members

Larry Wright has put in his resignation as member of the Board of Directors for the Association. David Zedeck has resigned as a member of the Board of Directors for the Association, however David Zedeck will fulfill Larry Wright's remaining 3 year term. **Stan Hansen motions this change, Betsy Wallace seconds, all in favor.** The board has decided to ask Greg Magee (runner-up in previous election held on August 12, 2006) if he is willing to accept the remaining 1 year term of David Zedeck's for the Board of Directors. TBD via e-mail to all board members once a decision has been made by Greg Magee.

III. Outstanding Legal Matters

As requested by the Board at the last meeting, Sherri Sweers has produced a ballot for the sale of quarter share estates to alternating share estates. The ballots will be e-mailed and mailed to all owners of the association. Owners will need to turn their ballots in by March 1, 2007 via e-mail, mail, or fax to Owner Services. A copy of the amendment will be available to owners upon their request. Counsel will provide a letter with the legal interpretation of the decision to bring the quarter share estates to alternating share estates to a vote of the association along with the pros and cons.

IV. Owner Benefit Challenges

The ski/boot storage for Owners and Guests of the Steamboat Grand has become a problem with items left for a long period of time. A letter will be sent to all owners on behalf of the board stating that all boots and skis need to be removed from the

storage area by April 14, 2007. Any items left in the storage will be donated on November 1, 2007. The board has approved to spend \$14,252 of the capital reserve on additional ski storage slots and a boot rack. The second challenge that is currently being seen is Owner's First Tracks. There are a number of owners that will call to participate in First Tracks each day it is offered not allowing owners that are only in Steamboat for one week a year to attend. A letter will be sent to all owners on behalf of the board stating that owners will only be permitted to attend First Tracks one time per week (Sunday-Friday) and one person per unit owned, they will be allowed to bring one guest. A husband and wife will no longer be able to attend and each brings a guest. If the husband is choosing to attend he may bring his wife as a guest. The Board discussed how Après Ski has been going during the last few weeks. There are some owners that are disappointed in not having the services offered 7 days a week and the cost of drinks. The Board has decided to continue Après Ski for only 3 nights and to continue to save the Association money.

V. Kevin Gillman

The Board discussed the function and purpose of utilizing Kevin Gillman as a liaison. Betsy is suggesting that the Board changes how Kevin is being paid from a percentage to an hourly rate. The Board wants to make all discoveries prior to SSRC/ASC closing on the sale to Intrawest.

VI. Management Contract

The Board had a few questions regarding the Management Contract with the potential of a sale to be finalized with Intrawest. The Board has a 30 day clause to release themselves out of the management contract once the sale is finalized if they are unhappy. It has been suggested that the Board form a negotiating team with SSRC to discuss the management contract in the future in hopes that more than a 1 year contact can be reached. Steve would like to review the current Rental Management Agreement. The Board would like to be involved in the discussion of the Rental Management Agreement in the future.

VII. Garage Note

Chris Diamond, President of SSRC, gave a short presentation on the history of the parking garage note. He assured the Board that Textron had multiple third party organizations double check the legality on the parking garage note. Betsy will be in contact with Textron to see if they are willing to provide information on the parking garage note to the Association. Steve commenting that if Association moves forward in looking into refinancing the parking garage an appraisal would likely be required.

VIII. Financial/Management Report

Laurie Good presented the financial review as of November 30, 2006. The Association is currently on budget for the year. Mike Lomas gave an update on the

water seepage into C-8 (see attached letter from Shops at the Grand, LLC). Mike is requesting information from the board as to what direction he should go in the future. The board is suggesting that they leave the conduit sealed until further recognition.

IX. Other

With the next meeting scheduled at the end of February the Board has decided to move the due date up by one week for ballots on the quarter share estates to alternating share estates to be turned in.

Next meeting scheduled for Wednesday February 28, 2007 @ 1pm at the Slopeside Owner's Lounge. Joe Fogliano motions to adjourn the meeting at approximately 3:46pm, all in favor.