

Board Meeting Minutes

Steamboat Grand Resort Hotel Condominium Association, Inc

October 7, 2009

1:00 PM at the Owners Lounge Conference Room

Board Members

Present: Joe Fogliano, Mike Lomas, Steve Traudt, Laurie Good (joined at 1:29)

By Phone: Greg Magee,

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

Proceedings

The meeting was called to order at 1:03 by the President.

A quorum was established.

Notice of meeting was provided by email on October 3, 2009.

Meeting Minutes from the August 27, 2009 Board meeting were reviewed.

Motion: David moved to approve the minutes as amended. Steve seconded.

Motion carried.

(Laurie Good joined the meeting at 1:29)

Sherri Sweers discussed the revisions to the first draft of the revised Bylaws. Definitions of Quarter Share Estate and Alternating Quarter Share Estate were added so it won't be necessary to cross reference the definitions in the Declaration. References to the dates for the Annual Meeting and Budget Ratification meeting were made more flexible. The requirements for nominating directors were clarified. It was determined that references to the "Designated Agent" could refer to both the relationship with SSRC and the relationship with AAAA.

The fiscal year end will be changed to December 31 to match most owners' tax year. This will allow the Annual Meeting and Budget Ratification meetings to be combined. Going forward the budgets will be developed and approved by the Board in October, mailed to the owners in November and the meetings will be held in December.

Obligations to mortgage holders are simplified in the new Bylaws, and Officers are better enabled to delegate responsibilities. Requirements for correspondence to owners were reduced. Provisions to align the Bylaws with Colorado HB 09-1248 regarding actions without meetings were added.

Motion: Steve moved to approve the amended Bylaws. David seconded.

Motion carried.

(38 minutes into the recording)

Sherri Sweers discussed the proposed fiber optic easement. The revised plat has been received and SSRC just sent the easement. Since the Association's attorneys have not yet reviewed the easement, the topic was tabled.

The division of quarter shares by splitting the deed into two 50% interests was discussed. The Board decided not to charge the owners for legal fees incurred.

Golf memberships were discussed and it was agreed that those relationships are between the owner and the golf course and that the Association should not be involved.

(Sherri Sweers left the meeting at 1:59)

The discussion of the new budget for calendar year 2010 began by reviewing the cost overruns in the maintenance budgets. Mike explained that the building is aging and that the rates SSRC charges for maintenance is a very good deal. Kevin agreed that the hourly rate is a good value and that the charges are well documented, but the expenses are running 30% over budget even though the budget increased by 50% over the prior year. Laurie discussed the discipline that Intrawest enforces on Ski Corps' maintenance budget. Mike explained that the surprise maintenance problems plague the Association, and that he is working toward a more far-sighted approach. Laurie commented on the need for a replacement reserve study to help with future planning. Kevin pointed out that even if we have a replacement reserve study, and adjust the dues to adequately fund the reserve, if the operating budget is not met then we won't have the funds necessary to make future replacements. Better ways to manage the maintenance expenses were discussed.

Laurie presented an alternative budget, with more conservative assumptions for utilities and maintenance expenses, which would require less funding for future replacements in order to keep the dues unchanged. The maintenance work order line was increased by another 50%. Greg asked about trends in SSRC's maintenance program, and Laurie replied that it is very tight. She also said that SSRC is expecting rental revenue to be down in 2010 and the Board felt that dues should not increase if rental income will be down. Laurie committed to having the SSRC expenses to Kevin in about a week.

(2:01 into the recording)

The annual meeting was discussed, including the agenda, elections and budget approval. Stacy will mail out a request for nominations for the three board seats up for election. All three incumbents are standing for re-election. Kevin will briefly present the changes to the Bylaws. The Association will host a reception on the night before the meeting.

Mike presented the Manager's Report. DirecTV has refined their bid and the monthly cost will be lower than Comcast, but there will be an upfront hardware cost based on the number of high definition channels we want. There will also be an expense to buyout the Comcast contract if we switch within the next twelve months. A counter proposal from Comcast is pending, but ski season will begin before the next Board meeting.

Motion: David moved to increase the budget for the DirecTV hardware upgrade to \$60,000. Steve seconded.
Motion carried.

(2:21 into the recording)

Mike is evaluating roofing consultants to better understand the options to improve the roof. Several companies were asked for proposals. This year's snow removal bids came in much lower than last year.

Colorado has a new law requiring carbon monoxide detectors in all units with fireplaces, so we will purchase and install 236 CO1 detectors, which is an unbudgeted expense. The insurance company inspector made some recommendations on how to reduce the risk of falls on the lobby staircase. Solutions will include signage and better lighting.

The plans for a restaurant in C7 may be relocated to C8, which was originally intended to be a restaurant. The new proposal for C7 includes a liquor store and a convenience store.

The owner of all shares of 538 has requested that the unit be converted to a pet unit. The Board agreed with the understanding that if the eighth shares are sold to more than one owner then the designation as a pet unit will be rescinded.

The Annual Meeting and Budget Ratification Meeting will be held on December 5th.

The next Board meeting was scheduled for December 4th, 2009 at 3:00 P.M. in the Owners Club.

Motion: David moved to adjourn the meeting. Laurie seconded.
Motion carried.

The meeting was adjourned at 3:51.