

Board Meeting Minutes

Steamboat Grand Resort Hotel Condominium Association, Inc

August 26, 2008

9:00 AM in the Slopeside Owners Lounge

Board Members

Present: David Zedeck, Mike Lomas

By Phone: Ron Belin, Greg Magee

Absent: Laurie Good (arrived 9:06), Joe Fogliano (arrived at 9:35), Steve Traudt (called in 10:00)

Others Present: Kevin Gilman, AAAA; David Nagel, Legal Counsel; Stacy Huffman, SSRC

Proceedings

(1 minute into recording)

The meeting was called to order at 9:03 by the Vice President Ron Belin.

Notice of meeting was provided by email on August 12, 2008.

Meeting Minutes from the May 13, 2008 board meeting were reviewed.

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

Motion carried.

Meeting Minutes from the July 21, 2008 special meeting were reviewed.

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

Motion carried.

Because of the late arrivals the agenda was rearranged.

The flat screen TV replacement project was discussed. Installation details for some unit types are still being determined. Disposition of the old TVs was left to the discretion of the GM. Options to upgrade the signal to digital within the building were discussed.

Motion: Ron Belin moved to approve completion of the flat screen TV project with a replacement reserve budget of \$540,000. Laurie seconded. Motion carried.

(18:20)

56% of the residential units have been re-carpeted, and about \$310,000 more needs to be spent to complete the project, excluding penthouses.

The quarter and eighth share rotation calendars have been extended through 2047 and were discussed. The calendars will be published with a rolling ten year window.

At the Last Board meeting Laurie Good stepped down as SSRC's representative and was reappointed as Walton Pond Apartments Inc.'s representative. This created a vacancy in the Treasurer's position.

Motion: David Zedeck moved to nominate Laurie as Treasurer. Greg seconded. There were no other nominations. Motion carried.

(38:30)

Legal Business

David Nagel of Feldmann, Nagel and Associates reported that the Tolling Agreement and the Letter of Intent have been executed with Ski Corp et al. Notarized copies are still pending. The complaint against Ski Corp et al will be withdrawn without prejudice upon receipt of the notarized copies. The other agreements that were attached to the Letter of Intent as exhibits are still in draft form, but need to be finalized by December 31.

Other timing issues and the plan to communicate to the membership the outline of the Letter of Intent were discussed. 67% of the members must vote in favor of granting Ski Corp the option to buy land that is currently a common element, and to convert commercial units to common elements, and 51% must vote to amend section 6.3 of the Declaration. On September 15th the President will send a letter to all owners asking for support, accompanied by a bullet point summary of the agreement. On the 22nd a follow-up mailing addressing frequently asked questions will be sent. David Nagel will arrange for an appraisal of the land under consideration. The vote of the membership needs to be completed by the October 11th Annual Meeting to maximize the benefit. A “no” vote may lead to a need for a special assessment or increase in dues.

The need for a confidentiality agreement for owners requesting a list of other owners, as mentioned in the Bylaws, was discussed.

The balloon payment in the proposed restructuring of the garage mortgage will be not addressed in the revised budget.

The Annual Meeting was discussed. Requests for Board nominations must be received thirty days prior to the meeting. The Annual Meeting will be held on October 11th at 2:00 PM. The notice of meeting will be sent out with proxies and the special ballot on September 15th.

(2:08)

The discussion of the proposed update to the Bylaws was tabled until the next meeting.

Collection issues include one unit going to foreclosure auction in November. The Association has filed a complaint against another delinquent owner who has 2 units. One is selling soon and the balance will be paid off at closing. The complaint will need to be withdrawn and re-filed for just the remaining unit. This will result in duplicate legal fees for the owner. The owner has offered to pay off the balance on the second unit from the proceeds of the first unit if the Board will offer a discount. During 2008 the late fees total \$685. The Board approved offering to waive the \$685 in late fees if the remaining balance is paid off.

The court ruled in favor of the County regarding the property tax appeal on the parking unit.

A proposed change to the street front windows was discussed. The Board was not opposed to changing the glass, at the tenants' expense, so long as all units are done the same. The possibility of a new restaurant in one of the street front units was discussed. Unit C-7 still has a water infiltration problem. Possible remedies were discussed.

(2:37)

Communications Committee: the Board agreed to fund a trading web site similar to the one in use by the Canyons resort.

Motion: David Zedeck moved to authorize \$1500 to set up a trading web site like the Canyons'. Greg seconded. Motion carried.

Roof Committee: OSHA is questioning the adequacy of the roof tie-in system employed by the snow removal contractor. A company called Flexible Life Line Systems sent a proposal to install an OSHA approved system for \$70,000. Additional options will be developed.

(2:50)David Nagel left the meeting

Amenities Committee: Ski Corp has asked to use the Slopeside Owners Lounge for an après ski champagne toast for invited VIPs including Steamboat Grand guests. The Committee has requested more information. Enforcement of the parking policy will be increased during ski season.

Finance Report: The Finance Committee has not yet met. The forecast shows legal fees and utilities expense exceeding budget. The utilities are up because of a spike in electricity consumption in July and because rates for both electricity and natural gas have jumped significantly. Legal fees are up because of the legal complaint against Ski Corp and the ongoing negotiations regarding the Letter of Intent. Laurie suggested that Ski Corp should be exempt as an owner from sharing in the legal fees expended to negotiate with Ski Corp, but the Board did not support that idea.

Management Report: AAA inspected the property twice and raised many qualitative issues. AAA challenged items that have never been questioned before, and the cost/benefit of maintaining four-diamond status will need to be evaluated. A report listing in-room improvements necessary to maintain guest satisfaction, and a competitive position in the market, was reviewed. The estimated cost was \$1.1 million, so the items will need to be prioritized and scheduled based on cash flow. The outcome of the member vote on the Letter of Intent will determine how much can be done how soon. The ongoing unit carpet replacement project is the top priority at the moment.

Motion: Laurie Good moved to authorize \$41,000 in additional capital funds for the unit carpet budget. Greg seconded. Motion carried.

The next Board meeting was scheduled for October 15th, 2008 at 11:00 A.M.

(3:44)

Motion: Laurie made a motion to adjourn the meeting. Mike seconded the motion. Motion carried and the meeting ended at 12:45.