

Board Meeting Minutes

Steamboat Grand Resort Hotel Condominium Association, Inc

January 20, 2009

1:00 PM at the Feldmann, Nagel and Associates Office

Board Members

Present: Joe Fogliano, David Zedeck, Greg Magee, Laurie Good, Mike Lomas

By Phone: Ron Belin, Steve Traudt

Others Present: Kevin Gilman of AAAA; Stacy Huffman of SSRC,
David Nagel and Dervla Lacey of FNA

Proceedings

(6 minutes into recording)

The meeting was called to order at 1:06 by the President.

A quorum was established.

Notice of meeting was provided by email on January 7, 2009.

Meeting Minutes from the October 15, 2008 board meeting were reviewed.

Motion: Greg moved to approve the minutes as corrected. Laurie seconded.
Motion carried.

David Nagel briefed the Board on the finalization of Letter of Intent and the twenty-two agreements with Steamboat Ski and Resort Corp. Follow-up items were discussed. The documents will be posted on the web site, with notice to the owners in the February newsletter.

(25 minutes into the recording)

Motion: David moved, as a post-closing measure to the letter of intent that was negotiated with Intrawest on or about August 12, 2008, and pursuant to the documents, final agreements, negotiations and closing of the transaction on December 31st, 2008, the Board hereby ratifies all those steps, actions and agreements. Ron seconded.
Motion carried.

David Nagel asked that the Board go into Executive Sessions to discuss the Halverson lawsuit.

(35 minutes into the recording)

Collection problems that have been referred to the attorneys were discussed. One owner paid immediately after being contacted by them. Another unit is in the process of foreclosure, and it has no first deed of trust. The third problem unit has completed the foreclosure process. No one bid on the unit at auction because the mortgage lender would not disclose the balance due. The attorneys sent them the Sheriff's Deed, but the bank has still not responded, making impossible for the Association to sell the unit.

The Association's collection policy was also discussed. No changes were made, but it was suggested that a plan for the disposition of foreclosed properties be added to the policy.

Sherri Sweers of Feldmann Nagel joined the meeting to discuss the practice of filing multiple split interest deeds on a single ownership unit. The practice seems to violate the Condominium Declaration prohibition on dividing fractional units by anyone other than the Declarant.

(65 minutes into the recording)

Motion: David made a motion to have Feldmann Nagel and Associates contact Lawyer's Title and tell them to cease and desist the practice of issuing multiple deeds in future conveyances, instruct them to prepare only one deed, and to correct the ones that they have done. Steve seconded.

Motion carried.

The affected owners will be copied on the letter to the title company. A separate letter will be drafted to send to these owners and for any future violations.

The status of the amendments to the bylaws were discussed.

(77 minutes into the recording)

The auditors have sent an engagement letter for the fiscal 2009 audit. It is at the same rate as the last year. There was no surcharge for all of the additional work they did relating to the LOI.

Motion: Laurie moved that we engage Brashier and Foss for the fiscal 2009 audit. Greg seconded.

Motion carried.

The need for an attorney usage policy was discussed. David Zedeck agreed to be the contact person between the Association and Feldmann Nagel, for the purposes of engaging the attorneys on a new topic.

Laurie suggested that the Association hire a consultant to develop a replacement reserve study. The topic was tabled until the next meeting, which will focus on budget development. The discussion evolved into how to address the savings generated by the closing of the LOI agreements. This topic was also tabled until the budget meeting.

Allowing commercial unit owners to share in the residential amenities, and share in the corresponding expense, was discussed. Speaking on behalf of Ski Corp, which owns 84% of the commercial space, said that they would not want to participate in the expenses. It was therefore agreed that commercial unit owners, tenants and employee should not use the residential amenities.

(Ron Belin left the conference call at 3:01)

The February 1 newsletter will recap the closing of the LOI agreements, and not address the budget implications at this time.

Mike Lomas gave his Property Manager's Report. The lower roof project is working well, eliminating almost all ice dams around the street front retail storefronts. There will be expenses to the Association to develop an accurate cost for the upper roof. It will cost about \$40,000 to complete the carpet project in the remaining residential units, excluding the penthouses. The penthouses are estimated at \$100,000. Sofa sleepers and love seat will cost \$375,220. Lobby level carpeting will be approximately \$140,000. Cost for replacement of mechanical systems are not yet available.

The new TVs and the lack of a high definition signal were discussed. Mike reported that several owners have commented favorably on the activity around the street front retail, although Mike said there are some challenges there, including the signage violations, property wide ventilation issues, etc.

(Steve Traudt left the conference call at 3:38)

Mike notified the Board that the swimming pool and hot tubs are not in compliance with Virginia Graham-Baker Pool & Spa Act, because drain safety covers are on back order. This problem predates the transfer of the pool and spa to the Association as part of the LOI closing.

Greg Magee reported on behalf of the Amenities Committee that the ski storage area needs ski racks that fit the newer, fatter skis. He pointed out that furniture and fixtures are to be provided by the landlord. Mike said he would see what he could do.

The Amenities Committee is monitoring the parking in the garage, and options are being considered.

The next Board meeting was scheduled for March 4th, 2009 at 12:00 P.M. in the Owners Lounge conference room. The Fiscal 2010 budget will be the primary topic.

(the Board went into executive session at 3:57)

Board met in executive session for 40 minutes and the following report was provided:

Present were Joe, Laurie, Mike, David, Greg

A review of Kevin's compensation package took place with much discussion.

Board very much appreciated Kevin's efforts on behalf of the HOA and felt he was doing a great job.

Due to economic times and an outstanding contract it was determined that no change in compensation would take place at this time. However, The Board will review Kevin's compensation package at the end of his original contract date of April 2010

Performance Review.

Board feels Kevin has gone above and beyond his duties and are completely satisfied with his performance.

Kevin's performance has been excellent and the feeling is he has been compensated accordingly.

Board is hoping for final completion of all the LOI issues shortly and we want to take the opportunity to forge a new relationship with SSRC.