

Silverado Lodge Homeowner's Association
Executive Board Meeting
February 26, 2008
11:00 a.m.

Board Members in Attendance: Bob Davis, President; Robert Whyte, Vice President (via conference call); Adam Loser, Treasurer; Tom Kealey, Assistant Treasurer; Marlynda Matthews, Secretary

Members of the Canyons Management Company in Attendance: Jeff Zogg, Vice President of Lodging; Gary Riness, Vice President of Facilities and Engineering; Nicole Snyder, Director of Owner Services; Kristi Slice, Owner Services Coordinator

Owners in attendance: Julie Taleghani (S105)

Bob Davis called the meeting to order at 11:05am.

Secretary Report:

The Board reviewed and approved the minutes from the HOA Meeting on January 10th, 2008. Bob Davis made a motion to approve the minutes. Marlynda Matthews seconded the motion. All in attendance were in favor.

Management Company Update:

Jeff Zogg provided an overview of the winter season in Park City. The Canyons has already received more than 300 inches of snow. March is historically a month with a great amount of snowfall. Nationally, many ski resorts across the country are experiencing an immense amount of snow. However, despite the large amounts of snow, The Canyons is experiencing a decrease in rental nights according to rental projections, mostly due to guests vacationing closer to their home cities. Park City in total is down 10% in hotel and condo rentals. Other destination skiing: Aspen is down 20-30%, and Whistler is down 17%.

Park City Update

The Canyons is experiencing higher rentals than last ski season 2006-2007. The Silverado Lodge has a higher number of bookings than expected for 2007-2008. A couple of reasons include conference and group sales in a very busy conference season. The winter season has leisure vacationers and summer bookings are primarily group stays. In January, we experienced a large number of guest stays during the first weekend of Sundance. President's week occurs during February and March is the busiest month of the year for room nights and skier visits. The third week in March this year is expected to incur a high number of room nights due to Easter and Spring Break. We have joined with the Park City Chamber of Commerce to promote advertising in the California markets with a heavy emphasis in San Diego, due to the close proximity of this city. There are currently two weeks in June and July that are approaching the sellout point in Silverado. There are also small meeting groups with 20 people or less that are requesting the Silverado Lodge this summer.

Long Term Rental Program

The proposed group and conference area and the restaurant will allow more group room nights this summer if the space becomes available in July. The rentals for the summer months look promising for long term renters (LTR). LTR is a program that appeals to owners of Silverado Lodge, as many renters travel from warm-weather states to Utah for the summer. Bob Davis wanted to know the balance between conference business and the long-term summer rentals. Jeff Zogg explained that Owner Services will educate the Owners on the process of summer rentals. Tom Kealey inquired about the number of owners that choose to participate in the Long Term Rental Program. Nicole Snyder responded that approximately one-third of the owners participate. There are 32 Silverado Lodge owners participating in the LTR program for 2008.

Unit Rotation Schedule

Bob Davis inquired about the balance between long term rentals and nightly rentals. There are one or two groups that will take over the whole town etc., so if owners choose to participate in the long term rentals they will not receive those particular nightly stays. Julie Taleghani asked about the Unit Rotation Schedule and Jeff Zogg and Nicole Snyder explained the system. Julie also inquired about the process of guest requests and how that corresponds to the unit rotation schedule. There was also concern raised regarding "For Sale" flyers left in several Silverado Lodge units by realtor David Lawson.

Action Item: Owner Services will contact David Lawson regarding the placement of these flyers and will seek an answer as to why and how they were placed into specific units that are not for sale.

Action Item: Owner Services will provide the Unit Rotation Schedule to Mrs. Taleghani.

Conference and Group Summer Rentals

Jeff Zogg explained that June 15th is the start of the conference season. May usually experiences a low number of group stays, as groups are unable to participate in outdoor activities during that month. The Girls National Softball Tournament in July creates a large increase in business in Park City. There is also a Jewish retreat group coming in on July 4th. October is also now starting to build more, as The Canyons is seeking more educational groups to fill the rooms. Jeff reiterated the importance of meeting space to secure the greatest booking opportunities.

Resident Manager

Pam Hilse is the new Resident Manager for the Silverado Lodge. She has a very strong service background and detailed management experience in the movie and film business. She will be here to ensure the best experience for owners and guests of the Silverado Lodge.

Proposed Restaurant Space

Almost all elements of the restaurant have been agreed upon between the Developer and The Canyons. There are several design review meetings remaining in order to discuss the meeting space drawings and restaurant ideas. Supporting conference business is difficult for the banquet staff without a kitchen. The agreement is that the kitchen will be adjacent to the meeting space and will hopefully open in July. There is not a restaurant concept that would be profitable. The restaurant would more or less be an amenity. The discussions have

begun and a decision will be made in the best interest of everyone. Jeff Zogg will provide the drawings for the Board Members to review.

Restaurant Concept

Breakfast and dinner is the focus for the restaurant. Since breakfast has a high volume in the winter the best serving method would be a buffet. Serving lunch would not be valuable at the Silverado Lodge location. It is important to consider dinner service. A bar component is also a possibility. There is an opportunity to create a deck outside. The conference and sales teams are excited about the possible outdoor deck and seating area that will provide dining space for summer months when owners and guests want to eat outdoors.

Action Item: Jeff Zogg will inquire with Catering and Conference Services to see if constructing the HOA kitchen space is still necessary in order to provide a set-up area for conference groups.

The Canyons Resort Real Estate and Golf Course

Tom Kealey asked if the Silverado Lodge has everything it needs to provide for summer rentals. Jeff Zogg said that the Silverado Lodge needs kitchen space and supplies storage for poolside serving and a barbecue area. Although the health club and pool are great amenities, a kitchen and meeting space are the most important. There will be better rental opportunities with more activities offered to guests. Hopefully the launch of the golf course will take place this summer 2008.

The Canyons is only 20% developed according to the original plans of the entire resort. The golf course will be semi-private and would be split between 19 easements in the RVMA. For further inquiries, it would be appropriate to contact Tim Vetter or JoAnne Nadalin. Once the sale of the resort closes, Talisker would be the management company.

Engineering and Facilities Update:

Carpet Update

Rob Whyte inquired about the damaged carpet. Jeff Zogg informed the board members of damaged carpet due to a flood in the meeting room on the basement level. Marlynda Matthews said the carpet warranties are not reliable. Gary Riness said the carpet is durable, but stained. The concern is with color matching. The board discussed the quality and color of the carpet.

Action Item: Gary Riness will research the square footage and costs, as well as contact the carpet companies to determine if there is a possibility of replacing the carpet through a warranty policy.

Pool Lighting

The maintenance department needs to determine whether the existing patios will be affected by the new pool lighting. The lights will be installed in March. The light study needs to be conducted to ensure the lights are not disturbing to guests and owners.

Garage Space

There is adequate space in the garage for a laundry preparation area as needed for the housekeeping department.

Gary Riness indicated that the two heaters' thermostats are set at 48 to 50 degrees minimum temperature in the garage to keep the pipes warm.

The board discussed the directional arrows in the parking garage. Consideration will be given to repaint the signs because the garage is designed for one-way traffic flow.

Ice Machine

Marlynda Matthews said it is the perfect time to purchase the ice machine. Jeff Zogg stated that The Canyons will pay for one-third of the ice machine. The price is about \$5000 for the ice machine. The HOA will contribute two-thirds and The Canyons will pay one-third of the cost of the ice machine. The Developer will provide the installation. Rob Whyte made a motion to purchase the ice machine. Marlynda seconded the motion. All in attendance were in favor.

Attorney Introduction:

McKay Marsden presented his legal services and background to the board members. He currently consults with the HOA at Stein Eriksen. Jeff will discuss with Christie Babalis, the ASC attorney for possible references for McKay Marsden. Mr. Marsden has a rate of \$240.00/hour and has proposed three to four hours will be needed to review CC&R documents. Adam Loser recommended that the attorney reviews the second amendment to the CC&R's.

Developers Update:

Wadman Construction

Wadman Construction will complete their work at the property in April 2008 if everything continues as planned. Gary Riness does not feel he has all of the training and warranty information or the manufacturer and plumbing information, so he and Adam Loser will meet in order to transfer the data. Gary feels comfortable with the preventative responsibilities. Gary does not yet have the original building blueprints for Silverado Lodge. Wadman Construction will update the blueprints. Gary will participate in the final walk-through with the developers and perhaps another member of the board.

Warranties

The appliances are no longer under warranty. There is project warranty remaining and maintenance that needs to be done is funded by the four percent unit maintenance budget. All items under sixty dollars will be replaced. Bob Davis asked about the electronic fireplace timers to ensure that the fireplace function is limited.

Action Item: Rob Whyte requested a list of all of the items under warranty in the project. The developer will provide the warranty information.

Action Item: Gary Riness will provide the costs of the electronic timers for the fireplaces.

Action Item: Once the warranty information is provided, Owner Services will send a letter to all owners regarding the warranty timelines.

The pool lighting is approved by Summit County. Roofing repairs are underway, and the shingles have a twenty-five to thirty-five year warranty. There is a warranty on the roofing materials, but the exterior roof warranty is not yet in effect. A contractor will need to review any potential concerns and implement a warranty. In the event that the subcontractor is not willing to honor the warranty, the Developer will honor the warranty.

Heat Exchanger

The abilities of the heat exchanger and pump that powers the snow removal system have been increased. The heat exchanger was not keeping up with the snowfall. It appears that it had been turned off and now it is working properly.

Dirt Removal Project and Arrival Improvement

The dirt removal is on hold until spring when the snow melts. The ramps on the lower levels of the garage entryway have been tiled. Signage and lighting have been added to this area as well, improving the arrival for units 001 through 004.

Trash

Trash receptacles are remaining inside the basement and the location is being discussed between the Developer and The Canyons. The developer will inform the HOA of the status. No changes to commercial space have been made.

Fan Speed and Room Keys

Fan speed controllers and room key concerns have been addressed.

Action Item: There have been concerns regarding key issuance at the Front Desk. Pam Hilse and the Front Desk staff will review these procedures and ensure that identification is verified for key issuance.

Compliance and Conformity Concerns

The Developer brought up the list of Compliance and Conformity concerns with the Declaration for Silverado Lodge. There are some discrepancies that will need to be reviewed by an attorney. The plat needs to be amended. The three meeting spaces need to be allocated as commercial space. The kitchen and storage area needs to be allocated as common space per meeting minutes with the county, developers and architects. The board members reviewed drawings of the commercial space and the detailed drawings of the exterior Silverado Lodge signage.

Proof of Insurance:

Nicole Snyder presented information regarding the Silverado Lodge proof of insurance documentation. Fifty-six owners have not yet provided proof of insurance.

HOA Business:

There was a discussion regarding the establishment of committees. Possible committees' foci include: parking, architecture, budget, utilities, landscaping, common areas, maintenance, legal concerns, business development, and security.

Meeting Adjournment:

The board briefly discussed future meeting dates. The next board meeting is tentatively set for March 26th at 11:00am. Rob Whyte made a motion to adjourn at 3:00 p.m. Adam Loser seconded the motion. All in attendance were in favor.