

Sundial Lodge *Homeowner Association Executive Meeting*

The meeting opened at 9:00 am by Fred Lafer at the Grand Summit on Friday, December 1, 2006. The following committee members were present: Fred Lafer, President; Craig Rettke, Vice President; LJ Corby, Treasurer; Erik Lapin, Secretary. Other attendees included: Jeff Zogg, Vice President of Lodging; Nicole Terry, Director of Owner Services; Gary Riness, Vice President of Engineering; Gary Weaver, Lodging Controller; Teresa deWilde, Owner Services Accountant; Leah Turner, Owner Services Coordinator.

Treasurer's Report:

LJ Corby gave the Treasurer's Report and stated that in May 2006, the HOA dues were increased to build the reserve fund. The financial position is in good condition at the end of quarter two.

Two savings: Patricia Stoke's position was an approximate 40k a year charge, which has been eliminated, and natural gas prices are decreasing. The new thermostats should also contribute to a savings. Year-to-date revenue is as anticipated in the budget. The parking revenue is fixed income; the contract was written for ASC to pick up 1/3, HOA to pick up 1/3, and The Canyons 1/3 as part of the land swap agreement for the pool.

Budget expense: The legal and professional fees were paid entirely in July 2006. Joe Wrona was finalizing the platting with the county and working on the recovery from the swimming pool litigation. The pool contractor has not charged us more than \$1,000.00 since May 2006. ASC will reimburse the HOA for the monies outstanding due to the dispute. All attorney negotiations are completed. Joe Wrona will only provide additional advisement when we request his services. Ten thousand dollars has been paid to Joe Wrona. The cost for the auditor was \$5,600. The budget for legal and professional fees is 10,198. The auditor expense will be budgeted more appropriately in the future.

Housekeeping: The committee asked why were labor costs so much different than before? Immigration requirements prompted us to hire outside labor totaling \$80k. In order to keep housekeeping costs down we have investigated several staffing options. Tim Masales, the Director of Rooms, traveled to South

America with recruiters to hire housekeepers. The Canyons hired a new Director of Housekeeping, Andreo Girardi, and a Sundial Housekeeping Manager Kenan Hasakovic. Kenan has already implemented some changes that have a visible positive affect to the Sundial Lodge, particularly in the lobby and entrance.

Trustee expenses: The committee agreed that all members will be reimbursed for travel and housekeeping expenses. The CC&R's will be referenced for the acceptable travel expenses. The receipts will be given to Nicole Terry and will be returned within one month's time. This process will be most effective and will be easier to ensure the charges are coded to the correct account.

Secretary's Report:

Attorney Joe Wrona ceased to represent us on two issues, the pool and platting. Jeff Zogg and Nicole Terry are the agents of record for the Sundial Lodge. The golf course update: The judge agreed to hear the case in June of 2008. Some land has been released, enough for a groundbreaking scheduled during spring of 2007.

Facilities Update:

Gary Riness: The estimate for a new heat exchanger is 40k, including labor. The deca-therm was 11.25 last year; this it is expected to stay pretty consistent at 8.25, which allows for accurate forecasting of the annual savings. If the deca-therm cost stays near 8.00 there may be a 65k-70k savings, which could provide funds for the heat exchanger. Electricity costs have slightly decreased. The thermostats were defective and needed to be returned to the manufacturer. The maintenance staff will install the new thermostats in the next couple of weeks. There will be a 20k entry in the financials due to returning the defective thermostats, which will be entered upon shipment of the working thermostats. The fans, motors and central systems are in extremely good condition. There are no known leaks and the building is in good condition. The pool is also in great condition. Gary will obtain a three-year comparison on the deca-therm energy usage to show the impact of the pool on energy costs. Installing a pool cover is an energy saving option to consider. Gary will obtain an estimate for texturing the Sundial Lodge hallways and for upgrading the front desk.

New Business:

Re-election of board member seats was held, for those whose membership was expiring. LJ Corby and Erik Lapin have been re-elected to continue to serve as board members. LJ Corby will continue to serve as the Treasurer and Erik Lapin will continue to serve as the Secretary.

Unit inspections: In March 2006, Patricia Stokes suggested that three local Sundial owners participate in the unit evaluation process. The completion date was scheduled for July. Patricia's last date of employment was July 7th, and Tiffany Peters continued the unit inspections. After Tiffany left, there were some discrepancies in the completed evaluations, and about 20% of the units were not yet evaluated. Sixty to seventy units needed to be re-evaluated. Owner Services devoted an immense amount of time to assisting the Sundial owners regarding the evaluations, as this was the first time unit evaluations have been performed. The Canyons hired Beth Fear to find more affordable bedding options, as the original options were expensive. The evaluation process is now established and Owner Services will continue to monitor the condition of the units and perform future evaluations as needed. We received 49 carpet orders. When we placed the order for 4,000 yards of carpet we learned that the soonest the carpet could be available would be Christmas week. There was only enough carpet in stock to install carpet in four units now. The group carpet installation will take place in the spring for the other units. We will offer the group order opportunity again to the rest of the Sundial owners who have not ordered. The approximate new installation time frame is the last two weeks of April 2007 and the first two weeks of May 2007.

Owner Services Office Move: The Owner Services department will be moving into Suite D of the village storefronts in the Forum. This will allow Owner Services to be in the center of the village and more accessible to owners.

Operational Changes: The Canyons' Passionate Purpose: "We commit to owning the experience at The Canyons by anticipating, acknowledging, and taking action on the spot." The new Passionate Purpose training empowers team members to assist an owner or a guest from start to finish without directing them to other team members. There will be a doorman between the C and B buildings of the Sundial Lodge to assist with directing foot traffic and to be a resource to guests and owners. There is now a devoted Sundial housekeeping manager, and there will be a devoted Sundial Front Desk Assistant Manager in the next couple of weeks. Jeff Zogg and the housekeeping managers will be walking the property

weekly in order to ensure quality control. Solutions for the owner reservation website are being sought by ASC. The company that built the old software sold and completely left the business. There is no longer a support system for the reservations site.

Impact of Silverado: The Sundial Lodge and Silverado Lodge are comparable in quality. The opening of Escala, which is a five-diamond property, may impact the market share. Location is the biggest asset for the Sundial Lodge. The key will be to continue to improve the interiors of the units. The Sundial Lodge has a residential feel. The washers and dryers in the units, the location and the accessibility of the building keep the Sundial Lodge highly marketable.

Fred Lafer moved to adjourn the meeting, at 12:00 pm and Jeff Zogg seconded the motion.