

**Beaver Creek Lodge  
Condominium Association, Inc.  
Annual Meeting 2015**

**Date:** April 10, 2015  
**Location:** Beaver Creek Lodge, Juniper Room  
**Time:** 10:00 AM (MST)

**Minutes**

**1.0 Introduction, Roll Call and Proxy Review**

The annual meeting of the Beaver Creek Lodge Condominium Association, Inc. (BCLCA) was called to order on April 10, 2015. Mark Kessler, President of the Association, presided over the meeting. Jim Wear, of the law firm Wear, Travers, & Perkins LLC, served as BCLCA counsel. Athena Marquez kept the meeting minutes.

The following were present:

Beaver Creek Lodge, LP. (Represented by Mark Kessler, President)	Owner, Various Hotel Units
Fravy Collazo, CFO	
John Curnow, GM	
Steve Broadbent, Hotel Unit Director	Owner, Unit 301
Dave Rivard (Acting) Hotel Unit Director	Owner, Unit 211
Louise Reiter	Owner, Unit 110
Liz Jones	BCRC, Unit 118
Eugene Cheong	Owner, Unit 136
Paul Jardis	Owner, Unit 213-A & 218
Michael Slevin	Owner, Unit 213 B
Bob Walsh	Owner, Unit 215
James Padgett	Owner, Unit 323
David Asher Maslan	Owner, Unit 401
Jim Koolmoos	Owner, Unit 404
Dan Hoffman	Owner, Unit 413

By conference call:

Sheri Rosen, Residential Director/HOA Secretary	Owner, Unit 324
Leanne Rivard	Owner, Unit 211
Neal Maslan	Owner, Unit 418

**2.0 Proof of Meeting Notice and Confirmation of Quorum**

Mark, on behalf of the Beaver Creek Lodge Condominium Association, welcomed the members of the Association. Jim Wear, BCLCA counsel, commented on a point that Paul Jardis brought up just prior to the start of the meeting. According to the Bylaws, the meeting notice is required to be mailed to the members and ours was emailed. Paul questioned if the Bylaws could be amended to allow emailing of the notice going forward. Jim stated 67% of the HOA has to approve the amendment, this could be considered in the future. Dave made a motion to pass an exception to the Bylaws to hold the meeting. Paul seconded. The motion carried. Jim then advised a quorum had been established. He further pointed out that Mark holds 31 proxies, Dave holds 30, Steve holds 12, and Jim Padgett holds 2 which took us beyond our quorum requirements, we may proceed with the meeting.

### **3.0 Approval of 2014 Annual Meeting Minutes**

Jim stated that everyone should have received a copy of the minutes. Please take a few minutes to read them. Steve moved to adopt the reviewed minutes from the Annual Meeting of the BCLCA held on March 27, 2014. Mark seconded the motion. The motion carried.

### **4.0 "State of the Association 2014" Presentation**

John Curnow, GM, advised the Lodge enjoyed a great year in 2014, increasing revenues, gaining market share and wowing our guests as shown thru our Guest Satisfaction Surveys and reviews on social media. Some highlights include:

- The Average Daily Rate grew by 11.5% or +\$29.78 to \$289.62/night
- Occupancy grew from 52.6% in 2013 to 56.0% in 2014, all in group.
- Group room nights grew by +250 over 2013
- The Lodge hosted 11 weddings in 2014 vs. 5 in 2013

2014 guest reviews and rankings online continue to acknowledge the Lodge for service, quality and location. Expedia and Travelocity rank us again with an Exceptional/Wonderful Rating. Trip Advisor awarded the Lodge with a Certificate of Excellence. Guest reviews online relate positively to Quality, Cleanliness and Grand Performer intuitive service levels.

By maintaining a commitment to our Kessler Collection Culture the Beaver Creek Lodge again ranked #1 in the Grand Performer Survey in the Kessler Collection properties with an overall score of 87% Satisfaction. The Kessler Collection averaged an 84% while the Industry Standard is 82%.

2014 was another great year for public relations expanding the Lodge's exposure to potential guests and to the travel industry. A detailed list of these articles and rankings can be found in the Beaver Creek Lodge 2014 PR Highlights that is part of your packet. Some of the top mentions for 2014 include:

- *Travel and Leisure* – List of World's Top 500 Hotels – mentioned among 9 Colorado Hotels
- *Conde' Nast Traveler* - Readers Choice- Top 20 Ski Resort Hotels in North America
- *CNN Traveler* – 10 Most Popular Après Ski Hotels
- *Travel Channel* – Featured as the Daily Escape

We were also very pleased to launch the new HOA Website in 2014. This is a great tool to keep you connected and we encourage your use. The site hosts all current HOA documents, news and information on our Property Management Services. Your feedback is always welcome.

In 2013, the Board of Directors approved a Capital Reserve Study that was completed in the first quarter of 2014. The study, in conjunction with our on-property team, will assist in our planning and assessing for capital improvements and projects going forward. The Capital Reserve Study is hosted on the HOA web-site.

#### **2014 HOA Budget Actuals and Capital Expenditures**

2014 finished \$45k over budget in operating expenses. We had some extraordinary unanticipated expenses including Roof Snow removal (\$11K), Grounds \$(8K) due to expanded scope, Waste was due to the need to lease a compactor as the old one finally failed (\$10K) and utilities were higher due to higher gas rates and some additional water expense due to several leaks (\$14K combined).

Reserve Projects for 2014 finished (\$31,417) below budget.

- Roof Upgrade/Replacement was over budget by \$30k, primarily due to un-warranted damage that occurred with ice damage and repair associated.
- On-going Plumbing repairs and upgrades was over budget by \$10k, due to leaks and pipe replacement repair.
- Common area carpet was purchased for the 2015 install and was over budget by \$3,878.
- Pool/Gate/Railing complete but over budget by \$4,125.
- Pool and Spa resurface project complete and on budget.
- HOA Website created and on budget.

- Creekside Railing project was deferred to 2015. However, safety glass was installed on exterior balconies and interior atrium balconies per insurance requirements. (\$11,477) savings.
- Elevator safety upgrades completed and under budget by (\$20,292).
- Garage Door Replacement was not required, for savings of (\$5,600)
- Building Signage deferred to 2015 for savings of (\$3,500)
- Re-finish wood fascia on entrance deferred for savings of (\$6,000)

#### 2015 Capital Plan

Based upon the Reserve Study, the 2015 annual reserve assessment will be \$160,000. There is no special assessment. The reserve study anticipates capital expenditures for 2015 not to exceed \$185,000. Projects to be addressed as needed include work in the following areas:

- Roof
- Pool and Spa
- Exterior Building
- Gutters and Heat Tape
- Boiler / Plumbing
- Common Area Carpet
- Replace Common Area Light Fixtures
- Upgrades to lower garage and common areas as needed.
- Pool decking resurface
- Mechanical upgrades to service elevator.

#### The Revolution of Rocks Modern Grill

We are very excited to announce that we have recently finalized a lease with a 3rd party to operate our restaurant/bar and all banquets and catering events. Beginning this summer, Riley Romanin, the owner/chef of Hooked, will open a rotisserie grill and bar in the Rocks space. The new restaurant will be called Revolution. We believe this relationship will re-energize our dining scene and Revolution will provide a public relations opportunities for the Lodge.

#### **5.0 Election of Directors**

Jim explained the election process to the members, 1 vote per owner. There are three seats up for election this year: (1) 1-year term of Hotel Unit Director to finish the remainder of Terry Krieger's term, (1) 3-year term of Hotel Unit Director and (1) 3-year term of Commercial Unit Director. As there are multiple seats open the election will be by secret ballot. We will need volunteers on the election committee to oversee Athena's tabulation of the votes. (Eugene Cheong and Paul Jardis volunteered).

Jim advised Mark has been nominated for the 3-year term, Dave has been nominated for the 1-year term and there are two people running for the commercial seat; Liz Jones of BCRC and Eugene Cheong of the Ski Lockers. (Mr. Cheong then withdrew his name from the running).

Jim started with the 3-year term and advised that Mark had been nominated, he then asked for any other nominations for the first seat of Hotel Unit Director.

- Question- Can Dave Rivard be nominated for the 3-year term?  
Jim advised, yes he is eligible.

Jim asked if Dave was interested in the nomination. He stated he hadn't thought about it but he didn't want to be president. Mark clarified that the board members elect the officers and a call will need to be set up within thirty days to do so. Dave stated he would be fine with either term, Asher Maslan then nominated Dave for the 3-year term.

Athena handed out the ballots. Jim advised it was time to proceed with the vote.

There was a short break while Paul, Eugene, and Athena collected and counted the votes.

Jim reconvened the meeting after the count and announced that Dave had the majority vote for the 3-year seat of Hotel Unit Director.

Jim then opened the floor for nominations for the 1-year term. Steve nominated Mark stating that he brings a lot of experience and history and overall help with his position at EHOOC and working with him over the last couple of years, he is a value to the HOA. Dave seconded the nomination.

Jim asked if there were any other nominations. Hearing none, he entertained a motion to appoint Mark by acclamation. Paul so moved, Dave seconded. Motion carried and Mark was appointed to the 1-year seat of Hotel Unit Director.

Jim then moved onto the Commercial Unit Director and opened the floor to the nominee Liz Jones. Liz spoke briefly about her background and feels that with her educational experience and time spent on staff at the Beaver Creek Resort Company and working side by side with Tim Baker, she would be an asset to the BOD.

Jim thanked her and asked if there were any other nominations. Paul then moved to appoint Liz by acclamation to the seat of Commercial Unit Director. Steve seconded. Motion carried.

#### **6.0 Review of 2015 Budgets**

Mark advised the HOA they should have received a copy of the budget packet it includes the operating budget and the reserve fund budget. He stated from this point forward we will refer to these two items as the budgets. He stated the BOD reviewed the budgets with comments on December 29<sup>th</sup>, 2014. Please note that certain statements made at this meeting about the associations future activities are based on the boards' current expectations and assumptions. Afterwards actual figures could differ from anticipated. He then turned the floor over to Fravy Collazo, CFO Enterprise Hotels of Colorado.

Fravy stated the 2015 budget was created based on the provisions of the BCL amended and restated declarations. The declaration provides for how these assessments are determined by owner class. Assessments are broken down by electric, gas, operating and reserve assessments. The electric and the gas assessments are assessed to those owner's classes which use those utilities based on the protected utility expenses. It should be noted all common area utility costs are incorporated into the operating assessment. The operating assessments for commercial, residential and hotel owners are based on the Denver, Boulder, Greeley, CPI Index which for the current year was 3.05%. The current year budgeted operating expenses were based primarily on the actual expenses incurred in 2014 and we made adjustments for inflation on any non-routine expenses as well as anticipated savings. The total operating expenses are budgeted at approximately \$920k for 2015. It should be noted these total operating expenses are budgeted to actually decrease slightly in 2015 compared to what was incurred in 2014.

On the reserve side as discussed earlier, the Board initiated the reserve study of the lodge a couple years ago. The reserve study addressed all the long term assets of the lodge, the replacement values, and their respective useful lives and more importantly, their remaining useful lives. The intent of the reserve study was to better understand when the funds would be needed to upkeep the property. The reserve study provides for a consistent reserve funding assessment stream to meet the capital demands of the property. Based on the recommendations of the reserve study, the Board approved the annual assessment for reserves in the amount of \$160k. The reserve study assessments on the expenditure side are \$185k. On the high level, the Association is in good shape. We think these assessments will keep us going in the right direction

He opened the floor to any questions. As there weren't any, Mark entertained a motion to ratify and approve the 2015 budget by the Association as presented. Dave so moved. Liz seconded. All approved and the motion carried.

Upon the recommendation of the Association's accountants, he entertained a motion to approve a resolution all reserve assessments for capital replacements for the year ending 12/31/2014, be segregated into a separate bank account and allocated to capital components as provided by tax regulations. Steve motioned. Dave seconded. All approved and the motioned carried.

## **7.0 Old/ New Business**

### **New Business-**

- Question – About the insurance policy.  
Fravy advised the property has an insurance policy for the entire lodge which covers general liability with limits of \$1 million per occurrence and \$2 million in the aggregate, which includes general, property, directors and officers as well as, crime and fidelity coverage. On top of that, the Kessler collection has an umbrella policy over all of the properties in the collection with a limit of \$25 million. The lodge falls under that so while we can go out and get specific umbrella coverage for the lodge, we feel we have sufficient coverage with the two policies already in place to cover this property.
  
- Question – Can the policies be looked at again to possibly raise the liability to \$5 million and specifically name the HOA?  
Fravy said yes. He said he has spoken to our carrier which also does the HOA policy and they have come back to us stating we are covered under the umbrella. We can go out and attain a separate policy or increase the limits on this policy if so requested.
  - Steve stated that at a minimum the HOA needs to be named under EHOC as a party to cover the association. We need to make sure the HOA is covered.  
Fravy said he would re-confirm and send Jim a copy to review. Jim said it may be beneficial to raise the primary and secondary liability and would review it.
  
- Question – Can we adjust the price point of the new restaurant to be more family friendly?  
John advised that Riley, the owner of Revolution, will be available for any questions after the meeting.

There was no old business.

## **8.0 Adjournment**

Mark thanked the owners for their participation in the Annual Homeowners meeting and for the interest everyone has shown in the Association. He then entertained a motion to adjourn the meeting. All agreed. Motion carried.

\*Mark advised the management staff is now available if any owner has questions regarding the rental management program.