

BEAVER CREEK LODGE

Beaver Creek Lodge
Condominium Association, Inc.
Annual Meeting 2018

Date: April 5, 2018
Location: Beaver Creek Lodge, Juniper Room
Time: 4:00p.m. (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 5, 2018. Mark Kessler, President of the Association, presided over the meeting. Jim Wear, of the law firm Wear, Travers, & Perkins LLC, served as BCLCA counsel. Kimmy Herner kept the meeting minutes.

The following were present:

Beaver Creek Lodge, LP (Represented by Mark Kessler, President)	Owner, Various Hotel Units
Fravy Collazo	CFO
Kevin Shields	Beaver Creek Lodge GM
Bill Flacker	Beaver Creek Lodge Controller
Steve Broadbent, Hotel Unit Director	Owner, Unit 301
Dave Rivard, Hotel Unit Director	Owner, Unit 211
Desert Partners, LLC	Owner, Unit 101
Tracy Huang	Owner, Unit 107
James Power	Owner, Unit 208
Zachary Lucido	Owner, Unit 317, 318, 319
John Perdsock	Owner, Unit 412
Dan Hoffman, Mrs. Hoffman, legal representation	Owner, Unit 413
Kraig Forbes (Liv Sotheby's)	Owner, Unit 119
Paul Jardis (Christy Sports)	Owner, Unit 213-A, 218
Berkshire Hathaway	Owner, Unit 213-B

By conference call:

Sheri Rosen Residential Director/HOA Secretary	Owner, Unit 324
Liz Jones Commercial Unit Director	BCRC, Unit 118
Anne Hagger Gibson	Owner, Unit 110
Carla Chiapella	Owner, Unit 408
Janet Perdsock	Owner, Unit 412
Leanne Rivard	Owner, Unit 211
Gerry Chrabaszc	Owner, Unit 305
Scott McFadden	Owner, Unit 414

2.0 Proof of Meeting Notice and Confirmation of Quorum

Mark Kessler, on behalf of the Beaver Creek Lodge Condominium Association, (BCLA), welcomed the members of the Association. Jim Wear established there was proof of the meeting notice and confirmation of a quorum.

3.0 Approval of 2017 Annual Meeting Minutes

Jim Wear stated that everyone should have received a copy of the 2017 Annual Meeting of the Association upon checking to review and ratify.

Request/suggestion to use full names in the Meeting Minutes.

Request to have the Meeting Minutes included with the Board Packet in advance to the Annual Board meeting was put in place by Jim Wear and Mark Kessler.

Mark Kessler entered a motion to approve the 2017 Annual Meeting Minutes of the BCLCA held on March 11, 2017. Steve Broadbent seconded. All board members were in favor. Motion carried.

Jim Wear introduced Kevin Shields, General Manager of the Beaver Creek Lodge.

4.0 "State of the Association 2018" Presentation

Kevin Shields, GM, reviewed the enhancements and achievements during the past year at Beaver Creek Lodge. Highlights include:

Property Enhancements:

- Re-sealing the floor in the first floor garage
- Lower level garage door replacement (lower level)
- Gutter, roof tiles and heat tape replaced
- Third floor ice machine
- Lighting and fixture replacement in Common areas
- Plumbing- replacement of hot water storage tanks in the lobby level garage

Guest Satisfaction

2017 Guest Satisfaction scores started with Beaver Creek Lodge ranked at #8 on Trip Advisor. As of a few weeks ago BCL was ranked at #2 just below the Park Hyatt and just above the Ritz Carlton Bachelor Gulch. Positive guest reviews geared around cleanliness, friendly staff, location and family friendly. Opportunities mentioned included building needing a renovation (2018 remodel scope) Reviews can be seen on the TripAdvisor website

Grand Performer Satisfaction

Kevin Shields went over ways the BCL is working to improve our service levels through training and development programs administered by the Kessler Collection Corporate Training Team and by the BCL's very own Human Resources Director, Carol Deckard who facilitates all of the Grand Performer orientations and enrichment classes. Kevin Shields put emphasis that the BCL is ranked #1 on the Grand Performer Satisfaction survey in the Kessler Collection and places well above the industry standard

improving 11% points over the prior year survey with a 91% score. Kevin explained that the property retention is also above the industry average which is impressive for a seasonal resort and the key programs that help.

Programs include:

- KQA- Kessler Quality Audit
- Grand Performer Orientation
- Grand Performances- Grand Performer Recognition
- Kessler Careers- New website geared around recruiting and culture expectation
- KLS- Kessler Leadership Series to develop new leaders at our property
- Kessler Cares- A way of giving back to the community
- Kessler Energy Conservation Program
- Kessler Safety Program

Safety

Beaver Creek Lodge sent a record with 697 accident free days. The Kessler Collection makes Safety a main topic at daily stand up meetings and has a safety committee for each property to ensure Grand Performers, Guests and owners visit and work in a safe environment.

Recent initiatives include:

- Fire Drill practice to ensure proper evacuation of the property effectively and efficiently
- Emergency binders in all departments
- System with Kessler to report any emergencies or injuries pertaining to the Hotel or HOA

In 2017 there was one slip and fall incident that is under review by our insurance company. There has been no formal claim by the injured individual as of today.

Changes in Staffing: New Grand Performers:

Andy Zenor- Director of Rooms

Kimmy Herner- Executive Administrative Assistant and Homeowner Liaison

Grand Performer Recognition:

Bill Flacker was awarded Kessler Leader of the Year for Kessler Collection Hotels and Resorts

2017 HOA Financial

Total income came in just above the budgeted total at \$949,540 allowing for a full operating budget

Administrative Expenses were over budget by \$7,903 with Cable TV/Internet service coming in over by \$4,797 due to an upgrade in service and Professional Fees at \$4,780 due to attorney fees incurred for past due assessments that were collected.

Total Property Operations were over budgeted amount by \$32,000 due to large repairs. All issues were unplanned, unscheduled and not able to be classified as capital expenses.

Lobby Elevator: \$8,410

Plumbing repairs to main circulation (first floor): \$4, 822

Building Repairs: \$12,779

Electrical and Mechanical: \$3, 206

Painting: \$3,897

Utilities continue to show significant improvement and came in at \$45,689 favorable to budget. Savings are a result of the Kessler Energy Conservation Program, capital projects such as the hot water tanks and light bulb conservation on throughout the Beaver Creek Lodge.

Grand Performers at the Beaver Creek Lodge are proud and fortunate to represent the lodge and Kessler and available to assist with any needs.

Mark Kessler turned it back over to Jim Wear to conduct the 2018 elections.

5.0 Election of Directors

Jim Wear explained the Association's bylaws process to elect members to the board.

The board seats for the **Commercial Unit Director** and **Hotel Unit Director** up for election this year. The seat for Commercial Unit Director is currently held by Elizabeth Jones who has decided to run for another term. The seat for Hotel Unit Director is currently held by Dave Rivard who has decided to run for another term. We will take additional nominations from the floor at this time. Only owners of a Commercial Unit or if a corporate entity, their agent, may be nominated for the Commercial Unit Director seat and only owners of a Hotel Unit may be nominated for the Hotel Unit Director seat. Please raise your hand if you have a nomination.

Jim Wear took nominations from those present. No other nominations presented. Jim Wear entertained a motion that the nominees be approved for the Commercial Unit Director and Hotel Unit Director of the Board of Directors of the Association for a three-year term ending at the annual meeting held in 2021. Paul Jardis moved the motion. Dave Rivard seconded motion and motion carried.

6.0 Operating Fund and Reserve Fund Budgets

Mark Kessler 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 Board of Directors reviewed the budgets with comments earlier this year, and final comments were approved earlier today. Please note that certain statements made at this meeting about the associations future activities are based on the Board's current expectations and assumptions. Actual results and figures could differ from those anticipated. Mark Kessler turned it over to Kevin Shields and Fravy Collazo, Chief Financial Officer of the Association's property manager, to walk us through the Association's Budgets

BUDGET

Mark Kessler entertained a motion that the 2018 Operating Budget be ratified and approved by the Association. Motioned moved, Dave Rivard seconded and motioned carried.

Mark Kessler informed the owners that the Board of Directors recommended that the Reserved Budget for approval. Steve Broadbent moved, Dave Rivard seconded and motioned carried.

Mark Kessler took vote with the respect to the motion by the raising of hands and online voting for all reserve assessments for capital replacements be segregated in a separate bank account and allocated to capital components as provided by the tax regulations. All approved and the motion carried.

7.0 Discussion concerning Declaration and Bylaw Amendments

Jim Wear presented that the Board is considering certain amendments to the Declaration. Discussed was the protocol for amending the declarations regarding contact of first mortgagees. Notice to be sent to all first mortgagees and proper posting to allow for response. Once finalized the proposed Declaration Amendment and/or Rules and Regulations are submitted to Marriott for comments (2-4 weeks for review). Once approved, the same will be submitted for approval of the Unit Owners at special meeting of the association.

8.0 Discussion concerning Rental Management Companies

Jim Wear advised that the Board is also considering whether or not to establish new rules and regulations concerning the rental of Hotel and Residential Units in an effort to maintain the operations of the Lodge in a first-class manner and clarify the obligations of Owners, their selected rental management companies and the Association.

9.0 Old/New Business

Mark Kessler opened the floor to any questions and/or comments for new and old business.

OLD BUSINESS:

NEW BUSINESS:

Mark Kessler updated the association on the status of the Marriott Autograph Collection conversion and the progress to date:

Marriot Development approval was received in Early January

Then kicked off final negotiations and drafting of the franchise agreement. This has taken longer than normal due to Marriott redrafting their form franchise agreements due to the Marriott/Starwood merger AND the complexity of BCL with the HOA component and having alignment with the franchise agreement.

For those of you in EHOc's rental management. program, the rental mgmt. agreement needs to incorporate certain items in the franchise agreement.

Furthermore, there are issues that we also need to address in certain HOA documents that the board has discussed with legal counsel. The franchise agreement is anticipated to be completed end of April/early May.

The current Opening Date (white label date) for Autograph Collection is May 31st which means that reservations go live and people can start booking on Marriott.com. The Branding Opening date is scheduled for November 30, 2018.

There are a number of key items that will be completed for the Opening Date and are current in the works either behind the scenes or by Ulf Built and the BCL engineering team. These items are being funded by the Special Assessment last fall. A lot of things the hotel guest will experience with the exception of the guest rooms, a few common area items including new carpet.

At this time there were no further questions.

Adjournment

Mark thanked all of the owners for participating in the Annual Homeowners meeting and for the interest everyone has shown for the Association. Mark then entered a motion to adjourn the meeting. Steve Broadbent moved, motioned seconded. All agreed by the raising of hands and online voting. Mark officially adjourned the 2018 Annual Homeowners meeting.

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