

BEAVER CREEK LODGE

Beaver Creek Lodge
Condominium Association, Inc.
Annual Meeting 2021

Date: April 10, 2021

Location: Telephonically via conference line

Time: 3:00PM 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, 2021 at 3:00PM (MST). The Annual Meeting was held telephonically due as is typical with the ongoing Coronavirus Pandemic. Mark Kessler, President of the Association, presided over the meeting. Jim Wear, of law firm Wear Travers Perkins LLC, served as BCLCA counsel.

Attending via phone:

Mark Kessler, President

Fravy Collazo

Kevin Shields

Steve Broadbent, Hotel Unit Director

Dave Rivard, Hotel Unit Director

Liz Jones, Commercial Unit Director

John Law

Gerard Chrabaszc

Paul Jardis

Dan Kessler

Michael McDonald

Sherri Rosen, Residential Unit Director

Oliver McBryan

Owner, Various Hotel Units

Chief Financial Officer, EHO

Beaver Creek Lodge GM

Owner, Unit 301

Owner, Unit 211

BCRC, Unit 118

Owner, Unit 414

Owner, Unit 305

Owner, Unit 213A, 218

Owner, Unit 109

Owner, Unit 408

Owner, Unit 509

Owner, Unit 112, 307, 406, 413

By Proxy:

Robert Law to

Liz Jones

Owner, Unit 138-C

Don Richards to

Sheri Rosen

Owner, Unit 603

G&M Chrabaszc to

David Rivard

Owner, Unit 305

R&C McGinnis to

Sheri Rosen

Owner, Unit 325

Linda McDaniel to

Steve Broadbent

Owner, Unit 201

John Grebe	to	David Rivard	Owner, Unit 202
James Power	to	David Rivard	Owner, Unit 208
Bernard Weichsel	to	Steve Broadbent	Owner, Unit 412
Dan Kessler	to	David Rivard	Owner, Unit 109
Charlie Goodwin	to	Mark Kessler	Owner, Unit 504
G&M Jones	to	Sheri Rosen	Owner, Unit 420

2.0 Proof of Meeting Notice and Confirmation of Quorum

Mark Kessler, on behalf of the BCLCA, welcomed the member of the Association and thanked them for their flexibility in holding the Annual Meeting via conference line. Jim Wear established proof and adequacy of the meeting notice and confirmation that the necessary quorum was present.

3.0 Approval of 2020 Annual Meeting Minutes

Mr. Wear provided the members time to review the 2020 Annual Meeting Minutes and allowed for any comments to be made. With no comments made by the members, Mr. Kessler asks for a motion to approve the 2020 Annual Meeting Minutes. Liz Jones motions to approve the minutes and the motion is seconded by Dave Rivard. Mr. Wear calls for an affirmative or negative response from the members, and with none opposed, the motion is carried and the 2020 Annual Meeting Minutes are approved unanimously. However, Ms. Rosen agreed to edit the minutes as to form.

4.0 "Lodge Operations for 2020 and Plans for 2021" Presentation

Mr. Wear introduced Kevin Shields, general manager for the Beaver Creek Lodge ("Lodge"), who reviewed the Lodge operations in 2020 and plans for 2021.

Firewalls, fire stairs and handles were improved as part of the ADA plan. Snow melt chip pumps, hot water pumps, etc., were replaced and are now more efficient. This will result in gas savings, as will the new boiler system.

Staffing change – Sarah is the new front office manager. Shane Merrill is the new director of finance in accounting. Carol Decker has retired and has been replaced by Jess Beauchamp as the new HR Manager. Jess will continue efforts to improve employee retention. Currently the Lodge is looking for to fill an administrative assistant role who would also be an owner liaison.

Operating revenue was \$10,580 below budget; however, payroll is down \$55,000 from budget. This is a result of some employees being furloughed early on during the pandemic, and not being brought back until operations were back up running in June.

The elevator repair work is proceeding as scheduled. Elevator 1 will be first, followed by elevator 2 and the service elevator. Project should be complete in November, and will result in three new operators.

Water use was up due to the capital project of replacing pumps, which required the building to be drained of water.

Overall, the actuals came in \$7,574 below budget for 2020.

5.0 Election of Board of Directors

Jim Wear explained the Association Bylaw's process to elect members to the board of directors.

The board seat for Commercial Unit Director is up for election this year. The seat is currently held by Liz Jones who has offered to run for another term and there are no other nominees. Paul Jardis moved to re-elect Liz Jones, seconded by Dave Rivard. Liz Jones was re-elected by acclamation.

A board seat for a Hotel Unit Director is also up for election this year. The seat is currently held by Dave Rivard. Dave Rivard has decided to run for another term. When the floor was opened up for additional nominations, Oliver McBryan nominated himself, and his nomination was seconded by Michael McDonald. Under Colorado law, board elections, when there is more than one nominee, must be held by secret ballot. After the meeting, an electronic voting ballot will be sent out to members, who will have five (5) days to vote. Votes will then be tabulated and the results reported to the Association.

After the meeting was adjourned, Mr. McBryan withdrew his nomination for the position of Hotel Unit Director. As Mr. Rivard was the only nominee remaining, he was elected by default.

6.0 Operating Fund and Reserve Fund Budgets

Mark Kessler opened the Budget discussion by addressing the fact that moving forward in the discussion, the Operating Fund Budget and Reserve Fund Budget would be collectively referred to as the Budgets, unless noted otherwise. Mr. Kessler noted that the discussion during the meeting regarding the Budgets were based upon the Board's expectations and assumptions and are subject to change. He then turned the discussion over the Fravy Collazo, CFO for the Association's property manager.

The 2021 budget was created based on the provisions of the BCLCA Amended and Restated Declarations. The Declaration provides for how these assessments are determined by owner class. The current year budgeted operating expenses were based primarily on the actual expenses incurred in 2021 and adjustments were made for inflation and any non-routine expenses as well as any anticipated savings. The 2021 Operating Fund Budget is approximately \$1,000,000.00.

Earlier this year, the Board approved an Annual Reserve Assessment for 2021 in the amount of approximately \$360,000 which was based on our reserve study. As discussed in the past, we assess Reserves on a general assessment basis. It was determined by the board that any actual Reserve expenditures in the prior year for limited common elements would be credited back to Commercial Owners and assessed to Residential and Hotel owners in the following year. Based on 2020 actuals, the Association spent approximately \$6,500 on limited common elements. As such, the 2021 budget and related assessment detail includes a credit for such amount to the Commercial Owners along with a correlated assessment to the Residential and Hotel owners. We will continue this process going forward for actual expenditures of limited common elements.

The Board approved an additional \$155,000 in reserve expenditures for a total approved budget of \$515,000 in reserve expenditures for 2021. These projects were described by Kevin Shields in his

State of the Association and do not include any projects under the special assessment. The 2021 Reserve Assessment was allocated to the members per our Declaration.

Actuals in the Special Assessment disbursements are expected to come in \$270,000 under budget due to savings on the elevator project. This was transferred to the Reserve Account.

Mr. Kessler sought a motion to approve the 2021 Budget. Steve Broadbent motioned to approve the 2021 Budget, seconded by Mr. Jardis. The Association voted to approve the motion.

Liz Jones motioned to approve the segregation for the special reserve assessment fund and Oliver McBryan seconded. The Association voted to approve the motion.

7.0 Review of Old Business and New Business

Ms. Jones provided an update from the resort operations side. Currently there is no reservation system planned for the 2021/2022 season. It is expected that mask mandates will be lifted by summer. Overall the mood in the Village is very optimistic. "Beaver Creek Wonder" is the new public art installation in the Village. There continues to be daily entertainment on the ice-rink. There will be no Blues, Brews and BBQ this year, however, there will be other celebrations later in the summer. The hiking center will re-open.

Mr. McBryan commented regarding the \$50 "right to rent" fee imposed by the Association. He believes that the fee is too much and likened it to the resort fee. Mr. Shields and Mr. Broadbent explained the reason for the fee and the financial analysis behind it, and how it cannot be compared to the resort fee as it is not an "apples to apples" comparison.

Mr. McBryan also commented on the lack of parking for the guests in his units, and stated that his guests were told to park at the Hyatt for \$100 per night. Mr. Shields believes that the parking issue was related to the high number of people visiting the resort with their own vehicles because of the pandemic and does not foresee it becoming an ongoing issue. However, Mr. Shields stated that he will be putting plans in place should there be high-volume for parking in the future. Mr. Shields also reiterated that the Lodge can only accommodate one vehicle per room.

Adjournment

Mark thanked all of the owners for participating in the Annual Meeting and the meeting was adjourned subject.