

**MINUTES OF THE
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
BEAVER CREEK RESORT COMPANY OF COLORADO
September 22, 2016**

A Special Meeting of the Board of Directors of the Beaver Creek Resort Company of Colorado, a Colorado non-profit corporation (the “Company”) was held on Thursday, September 22, 2016, in the Juniper Room of the Beaver Creek Lodge, Beaver Creek Subdivision, Eagle County, Colorado. The meeting commenced at 8:01 a.m. The following members of the Board of Directors were present in person or by conference telephone:

Doug Lovell	Ross Bowker via conference phone
Tim Maher	Brian Nolan via conference phone
Bob Boselli	Jim Donohue via conference phone
Phil Metz	Jeff Luker via conference phone
Kristin Williams	

Representing the Company were Jen Brown, Managing Director, and Tom Allen, Treasurer. Also present were Kathy Calton and Sarah Stutman from BCRC, Jim Fraser from Beaver Creek Metropolitan District (BCMD), Tim Baker, Paul Gorbold and Jerry Hensel from Resort Operations, Steve Nusbaum from Design Review Administration (DRB), Dave Eickholt, Lou Kreig and Jeanie Kearney from Beaver Creek Property Owners Association (BCPOA).

Mr. Lovell began the meeting by stating Orla Bannan has left her Board seat and thanked her for her dedication and years of service to BCRC; Kristin Williams has been appointed to the Class E Director seat.

1. Public Comment. Ms. Jeanie Kearney wished to discuss the outdoor lighting regulation. Her neighbors have in the last two years displayed more and more holiday lights and it has become disruptive. She asked that the Board revise the Outdoor Lighting Regulation. After discussion, the Board gave direction for staff to revise the regulation limiting the time allowed for lighting décor for their future approval.
2. Minutes of the Beaver Creek Resort Company Board Meeting August 18, 2016. Upon motion made by Mr. Maher and seconded by Mr. Boselli, the minutes of the Special Meeting held August 18, 2016 were unanimously approved as presented and are attached as Exhibit A.
3. Annual Members Meeting Resolutions. Board discussed setting the Beaver Creek Resort Company Annual Meeting date for the Saturday after Thanksgiving, November 26, 2016. At this year’s annual meeting, one Class A (Residential) and Class C (Commercial) Board member will be elected. These seats are currently held by Jeff Luker and Brian Nolan, whose terms will expire. Additionally, the class E (Declarant Special) Board members will be appointed by the Declarant, the Vail Corporation. The existing class E members are Kristin Williams and Jim Donohue.

Upon motion made by Mr. Boselli and seconded by Mr. Maher, the Board unanimously resolved:

RESOLVED, that the 2016 Annual Meeting of Members shall be held at 8:00 a.m. on Saturday, November 26, 2016, with the Annual Meeting of the Board of Directors to follow immediately thereafter;

FURTHER RESOLVED, that October 7, 2016 is hereby established as the record date for the purpose of determining members entitled to notice of or to vote at the Annual Meeting of Members of the Company set for November 26, 2016;

FURTHER RESOLVED, that October 7, 2016 be the date by which all nominations for directors seats must be received; and

FURTHER RESOLVED, that the Company deliver notice of such nomination deadline date to the members as soon as practical after September 12, 2016.

4. Board of Directors Meeting Dates 2017. Upon motion make by Mr. Boselli and seconded by Mr. Metz, the meeting dates set for the BCRC Board of Directors for 2017 are as follows:

January 26, 2017
February – No meeting
March 23, 2017
April – No meeting
May 25, 2017
June – No meeting
July 20, 2017
August 24, 2017
September 28, 2017
October – No meeting
November 25, 2017 – Annual Member meeting and Annual BOD meeting
December – No meeting

5. Design Review Annual Appointments 2017. Upon motion made by Mr. Maher and seconded by Mr. Metz, the BCRC Board:

RESOLVED, that the following individuals are appointed as members of the Company's Design Review Board to serve for a period expiring September 30, 2017 or until their successors have been duly qualified and appointed:

Ludwig Kurz
Brent Alm
Don Eggers
Bonnie Vogt
Dawn Friedman

6. Transportation System Technology Request. Paul Gorbald, Sr. Manager of Transportation, proposed a new system technology upgrade for the transportation system. The system is a guest facing service to provide more information to the riders and homeowners about the bus status; where each bus is located and the estimated time of arrival. Such technology would not change how current operations are performed. A ready-made App will be made available to guests to download for free. Customers can utilize the App to pull a map and find the location of any desired bus on fixed routes in Beaver Creek. An advertising campaign will be launched to advertise the new technology in buses, kiosks, and among HOA groups. The technology will improve communication and efficiency for the bus service. After lengthy discussion, Mr. Bowker motioned to approve the purchase and implementation of the transportation technology upgrade; seconded by Mr. Maher. Motion passed unanimously.

7. Global Energy Forum Request. Ms. Brown reviewed a request by the Global Energy Forum organizers for sponsor level support from BCRC. In the past BCRC has supported the program with \$7,500 cash and in-kind sponsorship; the same has been budgeted for 2017. After discussion, Board agreed with continuing the sponsor support for the Forum because of the high quality of the programming. Mr. Boselli motioned to approve \$7,500 cash and \$22,500 in-kind sponsorship for 2017; seconded by Mr. Metz. Motion passed unanimously.

8. Financial Report August 31, 2016. Mr. Allen reviewed the Financial Report for August 31, 2016, attached as Exhibit B, as follows:

Revenues Year-to-Date - Through August revenues had a negative variance to budget of \$314,263. Compared to the prior year revenues are negative \$340,414.

- Civic and Lodging Civic Assessments had a combined negative variance of \$186,850, but were ahead of the prior year by \$246,425.
- Mountain and Recreation Assessments had a positive variance to budget of \$154,800 and were ahead of last year by \$532,519.
- RETA had a year-to-date negative variance \$546,587.
- Activities and special events revenues had a positive variance of \$259,664.

Revenues Year-End – The current forecast shows a negative variance at year-end of \$158,484 or 0.8%. Major changes from the previous forecast include:

- Reduction of the August Civic, Lodging Civic and Mountain and Recreation Assessments of \$20,000 due to lower August revenues than originally estimated.
- Year-end RETA forecast was lowered \$133,000. This reduction is due to the length of time it takes between a property going under contract and closing which has been averaging 45 days. There are currently 3 homes under contract with an estimated RETA value of \$352,700 and 19 condominiums under contract with an estimated RETA value of \$677,300.
- The special events revenue forecast was increased \$68,924. Revenues for the Wine & Spirits Festival and Oktoberfest were higher than originally estimated.

Expenses Year-to-Date - Expenses had a positive variance of \$953,319 or 5.5%.

- Marketing has a positive variance of \$370,387 due to the savings for the 2015 Championships contribution and the group sales position.
- Transportation had a total positive variance of \$434,619. Savings include the annual true up between the BCRC fiscal year and the BCMD calendar year, BCMD funding being higher than budgeted and savings in parking lot bus maintenance
- Property Maintenance had a positive variance of \$77,440. This variance was made up of savings in general and landscape maintenance and village technology.
- Public safety had a negative variance of \$15,197. The variance is due to off-site parking being more than anticipated.

Expenses Year-End – The current year-end forecast for expenses shows a positive variance of \$1,370,410. Major changes since the last forecast are:

- The Activities & Events forecast was lowered \$55,000 due to additional expenses to enhance the Wine & Spirits Festival.
- Professional services are showing a reduction in expense of \$70,000. The DRB guidelines project will not be completed by the end of this fiscal year so some of the FY 16 expenses were moved to FY 17.
- Marketing is saving \$25,000 for Hike to the Mic advertising.

- In transportation we are anticipating an additional savings of \$142,873 for parking lot bus maintenance.
- Property maintenance is anticipated to have an additional \$50,000 savings in general and landscape maintenance.

Capital Expenditures: \$848,739 has been spent on capital thus far. The previous forecast of \$1,224,311 was reduced \$13,390 as office furnishings associated with the office remodel won't be purchased until FY17.

Reserves: The ending cash balance for August was \$2,558,259 compared to a budgeted cash balance of \$2,202,565. Year-end forecast for the cash balance is \$3,013,903 which is a reserve of 18.5%.

9. Approval of Interim FY17 Budget. Board continued discussion of the FY17 budget. Mr. Luker asked about the lawn repairs next to the BC Club and Hyatt lawn area; drainage and maintenance were further discussed. The landscaping needs at the Hyatt art display areas next to Paderewski gallery were addressed; Mr. Bowker suggested coordinating a reasonable cost share between BCRC and Hyatt for improvements in the area to include irrigation and electrical. Mr. Maher motioned to approve the Interim FY17 Budget as presented; seconded by Mr. Bowker. Motion passed unanimously. Ratification of the FY17 Budget will take place at the Annual Members Meeting scheduled for November 26, 2016.

10. Design Review Guidelines Revision Project Update. Ms. Brown reported the first draft of the revised Design Review Guidelines is almost ready for review. The primary goal for the revision is consistency to promote high quality standards for Beaver Creek. A special committee of the Board consisting of Mr. Lovell, Mr. Luker and Mr. Maher will meet to review the first draft; afterward the entire Board will be able to review. After Board review, the special committee of the BCPOA will review and submit their feedback.

11. Lech Sister Resort Opportunities. Ms. Brown presented two new opportunities to celebrate the Lech sister resort relationship:

(1) The Colorado Governor's mansion has invited Beaver Creek and Lech to decorate the library for the Christmas holiday season. The display and décor would be on the public tour for the holidays. BCRC could invite the press and Lech friends to the opening party which will include the Governor. Board supported the activation with up to \$5,000 in décor.

(2) Doppelmayr built a new restaurant on the mountain in Lech and the grand opening in January 2017 is a great opportunity to submit recipes to the restaurant's menu, provide Beaver Creek marketing video loops, décor, and Birds of Prey information. The restaurant opening is tied to the annual White Ring ski race. Board supported the event and asked for an update of anticipated costs.

12. New Business. Mr. Lovell stated the summer flowers and décor in the village looked great all season; many congratulations to staff and the village operations team for their hard work.

Upon motion by Mr. Maher and second by Ms. Williams, the Board unanimously moved into executive session at 9:42 am.

Upon motion by Mr. Maher and second by Mr. Boselli, the Board unanimously moved into regular session at 10:03 am.

Upon motion by Mr. Maher and second by Mr. Boselli, the Board unanimously approved the additional marketing budget as presented for 2017.

With no further business to come before the board and upon motion by Mr. Bowker duly made, seconded by Mr. Boselli and unanimously approved, the meeting adjourned at 10:19 am.

Respectfully submitted,

Elizabeth Jones
Secretary

LIST OF EXHIBITS
SPECIAL MEETING OF THE BOARD OF DIRECTORS
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- A. Minutes of the BCRC Board of Directors Meeting August 18, 2016
- B. Financial Report August 31, 2016