

MINUTES OF THE  
BOARD OF DIRECTORS MEETING OF  
BEAVER CREEK RESORT COMPANY OF COLORADO  
March 24, 2022

The 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, March 24, 2022.

Ms. Guerriero called the meeting to order at 7:58 a.m. Ms. Jones verified the Notice of Meeting sent and a quorum established for the purposes of the meeting. The following members of the Board of Directors were present:

Nadia Guerriero	Jim Donohue via Zoom
Jeff Luker	Peter Dann
Phil Metz	Tim Maher
Brian Nolan	Bob Boselli

Representing the Company were Karen Braden-Butz, Treasurer; and Elizabeth Jones, Secretary.

Also in attendance:

Clint Huber from Beaver Creek Resort Company  
Owen Hutchison from Vilar Performing Arts Center  
Lee Hoover and Jerry Hensel from Beaver Creek Village Operations

Attending via Zoom:

Sarah Innerarity, Inno Martino, Claire Wood and Drew Stoll from Beaver Creek Resort Company  
Bruce Kiely from Beaver Creek Property Owners Association  
Michelle Siemer from Beaver Creek Village Operations  
Koby Kenny from Beaver Creek Public Safety  
Bill Simmons from Beaver Creek Metro District  
Paul Gorbald from Beaver Creek Transportation

1. Executive Session. Upon motion made by Mr. Boselli and seconded by Mr. Luker, the Board moved into Executive Session at 8:00 am.

Upon motion made by Mr. Boselli and seconded by Mr. Nolan, the Board moved into Public Session at 9:07 am.

2. Public Comment. Ms. Guerriero wished to acknowledge that the Board is now less one Director at this time due to the sudden loss of Mr. Gary Shimanowitz on February 25, 2022. He was a major presence and a dearly loved member of the Beaver Creek community and served Vail Resorts for 31 years. He was a friend to all and will be greatly missed.

Ms. Guerriero wished to express her gratitude for the contributions of Ms. Jones, Mr. Huber, Mr. Metz and the BCRC staff for their work toward an exceptional Celebration of Life event on March 11, 2022.

Mr. Kiely added that Mr. Shimanowitz was greatly respected by the property owner community and he will be missed.

Mr. Luker added that it is still hard to speak about that day, but believes that Gary is with him while he skis on the mountain, and that Gary is still watching and managing the mountain for all.

3. Minutes of the Beaver Creek Resort Company Board Meeting January 27, 2022. Upon motion made by Mr. Nolan and seconded by Mr. Maher, the Board unanimously approved the minutes of the Board Meeting held January 27, 2022 as presented. The minutes are attached as Exhibit A.

4. Financial Report as of February 28, 2022. Ms. Braden-Butz reviewed the financial statements from February 28, 2022, which are attached as Exhibit B:

Year-to-Date (October thru February) Revenues: Through February 28th year-to-date (“YTD”) revenues had a positive variance of \$1,996,519.

- Civic and Lodging Civic Assessments are ahead of budget \$1,050,000.
- Mountain/Recreation Assessments had a positive variance of \$296,000.
- RETA had a positive variance of \$1,098,000. Real estate sales continue to have a positive trend, but the listings are slowing down.

The increased assessment revenues are the result of 90+ occupancy rates in Beaver Creek Village and in the Vail Valley.

Year-To-Date Expenses: Expenses had a positive year-to-date variance of \$689,000.

- Administration had a positive variance of \$81,000 directly related to open positions.
- Activities & Events had a positive variance of \$204,000 mainly related to the canceling the Winter Culinary Weekend Grand Tasting event and other winter event savings.
- Professional Services reflects a positive variance, however this is timing as it relates to anticipated legal expenses.
- Marketing had a positive variance of \$112,000 of which \$43,000 was unspent to market outside the region for winter events because out state guests were already here, \$48,000 Village Wide for budgeted expense that we did not need to complete the website, and timing of \$25,000 for Summer Marketing expense for production.
- Transportation operations had a positive variance of \$250,432. Village Connect had a positive variance in operating costs of \$134,166 and Parking Lot Service \$83,810 plus \$32,456 sale proceeds for a village connect bus.
- Property Maintenance had a positive variance of \$70,690. This is all timing in expense for the skiway maintenance reimbursement of \$25,000, purchasing of escalator steps of \$20,800 and \$24,395 for completion of handrail plates in the spring.
- Public Safety had a negative variance of \$61,869 of which \$47,500 is directly related to public safety labor and currently waiting on response from the director and analyst as to why this is occurring and timing in paying Old Growth Tree Service’s \$24,500 invoice for work completed last fall.

Year-End Revenues: Revenues are forecast to have a positive variance of \$737,296.

- Civic and Lodging Civic Assessments are forecasted to have a positive variance of \$1,049,514.
- Mountain Civic/Recreation Assessment to have a positive variance of \$150,949.
- RETA’s forecast has been adjusted down more in line with budget as the notification of new listings has slowed down and much of what we do see are interval transactions. Currently there are 10 condos and townhomes and 8 single family homes and duplexes under contract with an estimated RETA value of \$1,469,300.

Year-End Expenses: Total expenses are anticipated to have a positive variance of \$110,544 by year-end.

Capital Expenditures: \$270,977 has been spent on capital through February. Expenditures include \$89,469 on the escalator rebuild, \$113,460 on village lighting project, \$3,840 on Beaver Creek Sports deck, \$22,516 on plaza furnishings, \$10,809 on Wifi upgrades, and \$30,500 on the Beaver Creek App phase III development.

Cash Balance: The ending cash balance for February was \$19,326,207, compared to a budgeted cash balance of \$16,692,535. \$17,156,119 is being forecast for the year-end cash balance.

5. Line of Credit Renewal Resolution. Ms. Braden-Butz reviewed the Line of Credit renewal Resolution and asked if the Board was interested in renewing the Line of Credit for 2022. After discussion and upon motion made by Mr. Boselli and seconded by Mr. Maher, the Board unanimously agreed to let the line of credit expire and not renew for 2022.

6. Strategic Initiatives Committee Formation. Mr. Huber requested volunteers of the Board to serve on a new Strategic Initiatives Committee in order to keep the Strategic Initiative projects on schedule and to advise Mr. Huber. He estimates the SI Committee would meet once a month in a work session format. Board discussed the need to keep projects moving quickly; all Board members volunteered to serve on the SI Committee. Ms. Jones confirmed any direction or decisions made by the Board during Committee meetings will be brought to the Board meetings for ratification. Mr. Boselli asked that meetings are recorded for those that might miss a meeting.

7. Strategic Lighting Project Phase I. Mr. Huber presented the **Lighting Master Plan** document that was prepared by the Lighting vendor and described the status of the project in the following context:

- Foundation – review and document the current state and develop the larger project vision
- Action – sub projects, revised Village DRB guidelines, identify maintenance responsibilities and possible investment into the program
- Execution – alignment, build out and procurement, present to stakeholder groups for participation

8. Merchant Outdoor Display Dates 2022. Ms. Jones presented the Regulations Committee's recommended merchant outdoor display dates for 2022. With no discussion and upon motion made by Mr. Nolan and seconded by Mr. Boselli, the merchant outdoor display dates calendar for 2022 was unanimously approved and is attached as Exhibit C. The Board will review again and possibly expand upon the approved dates later this summer 2022.

9. April Lech Visit. Mr. Nolan updated the Board on the status of the sister resort relationship status; Lech and Beaver Creek are ready to resume the relationship beginning with an April gathering in Lech. Upon motion made by Mr. Boselli and seconded by Mr. Luker, the Board unanimously approved \$5,000 in travel costs for Mr. Nolan and Mr. Kurz to travel to Lech, Austria in April 2022.

10. Strategic Initiatives Update. Mr. Huber updated the Board on the status of Strategic Projects:

- a) Beaver Creek Sports Deck: The latest concept for the Beaver Creek Sports Deck was presented, reflecting actual survey and elevation data along with detailed concept views. A highlight of the latest revision includes expanded multi-use space, which could fit a 20'x40' event tent plus two additional 10'x10' tents or other various configurations.

The project team has identified certain factors of the project that may impact the project timeline and/or costs:

- The size and magnitude of hardscape and structural changes make this a difficult project to phase across shoulder seasons, versus an estimated five month continuous construction period. Costs will be higher due to lost efficiencies and re-mobilization and the condition of the area between phases may not be on-brand.
- Permitting processes for demolition, construction, snowmelt, utility easements, etc. remain protracted and County resources may impact our ability to begin this spring.

Additional details and updates on the process and concept will be provided at a planned Strategic Initiatives Committee (or Work Session) meeting in April, where Staff anticipates requesting approval for preliminary infrastructure installation (snowmaking, electric, gas line) to take place in May.

- b) Vision Plan Rollout and Communication: A more conservative communication approach has been identified to socialize the master plan with the homeowner and building association community with an emphasis on the lighting and maintenance initiatives. Feedback from these stakeholders will inform next steps of the communication plan which involves a broader audience including the commercial businesses. Updates and feedback on the communication plan will be discussed at an April Strategic Initiatives Committee (or Work Session) meeting.
- c) Lawn Activation Phase I: Due to Village Hall construction impact, Staff is advising the Board to defer Lawn Activation Phase I to FY 2023. The result is a release of \$200k in budgeted capital, which will likely be requested as reallocation to other capital projects such as Beaver Creek Sports Deck or Lighting.

11. Hiking Center / Day Camp Update. Ms. Jones informed the Board that the Hiking Center is nearly fully staffed for the season and bookings have been rolling in since February. The Day Camp Manager position will be offered next week and Ms. Jones has been working on the State Licensing requirements. The new Day Camp Manager will have to work quickly to find staff and get training scheduled.

12. Design Review Board Update. Mr. Nolan asked about the BCRC approval for Coyote Café's remodel project. Ms. Jones will send the approval to Design Review as soon as possible.

11. Public Safety Reports. Mr. Kenny shared that there were seven days of Prater Road parking this season. Mr. Nolan noted Town of Avon is trying to figure out parking issues. Mr. Boselli asked about the Village Road recreation path and if the speeds of bikes have been addressed; Mr. Kenny to discuss with Mr. Simmons as the season starts.

12. New Business. Mr. Nolan stated Coyote Café is planning a Celebration of Life for Buzz. Mr. Nolan also noted the loss of Bob McIlveen who had contributed a great deal to Beaver Creek's early development. Mr. Nolan stated that Tony Gulitzia has been ill but is recovering in Denver.

Ms. Jones stated that the month of May is Wildfire Readiness in Eagle County. Wildfire Readiness will be a priority in communications to property owners over the summer season.

Ms. Guerriero noted that tomorrow, 3/25/22 is Eagle County Officials Ski Day in Beaver Creek and will have lunch at the Dusty Boot afterwards.

13. Executive Session. Upon motion made by Mr. Boselli and seconded by Mr. Luker, the Board moved into Executive Session at 10:15am.

Upon motion made by Mr. Nolan and seconded by Mr. Luker, the Board exited Executive Session at 10:48am.

Mr. Luker motioned that the Budget Committee of the Board take the following action:

1. Divest investment securities with a maturity date or duration greater than four years from March 24, 2022, and
2. End the relationship with the investment advisor (SRS Investments) and management company (GW&K Investments), and
3. Authorize an Investment Committee, comprised of the Budget Committee plus Mr. Donahue, to further analyze remaining investments and make a final decision whether to divest additional securities up to a full liquidation of the portfolio.

Mr. Nolan seconded the motion. Mr. Dann abstained. Motion passed with six Board members in agreement.

14. Adjourn. With no further business to come before the board and upon motion made by Mr. Nolan, seconded by Mr. Luker and unanimously approved, the meeting adjourned at 10:59 a.m.

Respectfully submitted,

Elizabeth Jones

LIST OF EXHIBITS  
BOARD OF DIRECTORS MEETING  
BEAVER CREEK RESORT COMPANY OF COLORADO  
March 24, 2022

- A. Minutes of the BCRC Board of Directors Meeting January 27, 2022
- B. Financial Report February 28, 2022
- C. Approved Merchant Outdoor Display Dates 2022