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, May 26, 2022.

Ms. Guerriero called the meeting to order at 9:00 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
Jeff Luker via Zoom
Phil Metz
Brian Nolan via Zoom
John Dawsey
Jim Donohue
Peter Dann
Tim Maher
Bob Boselli

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

1. Executive Session. Upon motion made by Mr. Boselli and seconded by Mr. Maher, the Board moved into Executive Session at 9:01 am. Mr. Clint Huber from BCRC joined the Executive Session discussion. Upon motion made by Mr. Boselli and seconded by Mr. Maher, the Board moved into Public Session at 9:58 am.

In attendance in Public Session:
Clint Huber from Beaver Creek Resort Company
Lee Hoover and Jerry Hensel from Beaver Creek Village Operations
Koby Kenny from Beaver Creek Public Safety
Paul Gorbold from Beaver Creek Transportation
Jeff Werkheiser and Lauren Barotz from Vail Resorts Marketing
Jim Kellen from Open Space
Lou Kreig, Beaver Creek Property Owner
Mac Slingerland from Beaver Creek Metro District
Larry Graveel, Beaver Creek Property Owner

Attending via Zoom:
Sarah Innerarity, Inno Martino, Claire Wood, Alex Bradshaw and Drew Stoll from Beaver Creek Resort Company
Steve Nusbaum and Sam Hearn from Beaver Creek Design Review Administration
Chris Pryor from Vail Mountain Coffee and Tea

2. Public Comment. Ms. Guerriero introduced the newest BCRC Board Member, Mr. John Dawsey, who has worked for Vail Resorts since 1993. He oversees lodging in Eagle County and has served on many Boards. His expertise was warmly welcomed by the BCRC Board.

Mr. Mac Slingerland spoke on behalf of the Beaver Creek Metro District and their desire to prioritize wildfire mitigation projects on Beaver Creek properties. BCMD just reviewed projects totaling $1m to complete the recommended fire mitigation in the area. He urged BCRC’s participation and acceleration
of the projects in the next two years. Mr. Maher expressed interest in an updated evacuation/communication plan for an emergency situation.

Mr. Chris Pryor from Vail Mountain Coffee & Tea spoke about the difficulties the Village Hall’s construction has caused his business; he asked for leniency on the signage restrictions in the village so that guests will know his store is open for business.

Mr. Larry Graveel spoke as an eleven-year Beaver Creek property owner. He saw the Beaver Creek Inspire presentation at the BCMD meeting and he has concerns about the visioning scope; he believes the concepts are great but the scope seems to include everyone except Vail Resorts. He believes Vail Resorts does not invest in the village and services have fallen off, including restaurants and transportation. He believes Vail Resorts should be required to participate.

3. Minutes of the Beaver Creek Resort Company Board Meeting March 24, 2022. Mr. Maher noted a non-consequential typo on the minutes to correct. Upon motion made by Mr. Metz and seconded by Mr. Maher, the Board unanimously approved the minutes of the Board Meeting held March 24, 2022 as corrected. The minutes are attached as Exhibit A.

4. Financial Report as of April 30, 2022. Ms. Braden-Butz reviewed the financial statements from April 30, 2022, which are attached as Exhibit B:

Year-to-Date (October through April) Revenues: Through April 30th year-to-date (“YTD”) revenues had a positive variance of $4,899,774.

- Civic and Lodging Civic Assessments are ahead of budget $2,093,514.
- Mountain/Recreation Assessments had a positive variance of $2,368,873.
- RETA had a positive variance of $1,171,701.

The YTD increased assessment revenues are the result of a 25.9% increase in occupancy in the village compared to 2021 winter season. As well, Average Daily Rate is 32.5% higher compared to 2021. Mountain/Recreation reflects the $2.1M received from Vail Resorts for the missed 2021 season pass revenue.

Real estate sales continue to have a positive trend. The number of listings are down, but the median sales price compared to 2021 is up 5.2% and the average sales price is up 22.3%.

To date 5 parking spaces, 76 intervals, 56 condos and 13 homes have sold on a budget of 2 parking spaces, 63 intervals, 47 condos and 10 homes. Averaging a sale price of $2,089,868 for condos and $4,859,077 for single family homes.

Year-to-Date Expenses: Expenses had a positive year-to-date variance of $867,679.

- Administration positive variance is directly related to open positions.
- Activities & Events positive variance of $244,910 related to the canceling the Winter Culinary Weekend Grand Tasting event saving $133,047 and on other winter events such as Beaver Creek Wonder, BC Extraordinaire and Talons Challenge.
- Vilar Center Contributions negative variance of $58,586 is a reflection of the increase in RETA revenue.
- Professional Services reflects a positive variance, however this is timing as it relates to anticipated legal expenses.
Marketing had a positive variance of $180,591 of which $55,230 was unspent to market outside the region for winter events due to high occupancy rates during these events, $53,455 Village Wide for budgeted expense that we did not need to complete the website and $21,000 timing in offerings to bringing in business in the shoulder seasons, and timing of $35,713 for Summer Marketing expense for production.

Transportation operations had a positive variance of $178,992. Village Connect had a positive variance in operating costs of $135,159 and Parking Lot Service $11,378 plus $32,456 sale proceeds for a village connect bus. The parking lot buses monthly maintenance expense that includes fuel costs did have an impact to the overall cost for April.

Property Maintenance had a positive variance of $53,460. $9,000 savings for Skiway Maintenance, $28,346 overage in expenses to run the snowmelt system this winter mainly due to natural gas increases, $20,800 timing in purchasing of escalator steps $24,100 timing in general maintenance handrail project.

Public Safety had a negative variance of $37,638. Public Safety’s Management Fee overage of ($128,389) offset by Parking’s savings of $103,788. The Public Safety budget was not correctly spread and has been re-forecasted for rest of year and parking’s budget will end in a positive variance due to the incorrect allocation for the winter season. Old Growth Tree Service’s tree removal along the Five Senses Trail last fall came in $14,500 over what was budgeted.

Year-End Revenues: Revenues are forecast to have a positive variance of $4,586,642 just slightly down from the previous forecast. The positive variance to budget is mainly the revenues collected this past winter season.

Year-End Expenses: Total expenses are anticipated to have a positive variance of $937,342 by year-end. Forecasted is an increase to Property Maintenance for ground maintenance and ice rink summer wage impact by $61,400. Have not forecasted any summer wage impact for Public Safety yet; a meeting with Village Operations is scheduled for discussion.

Capital Expenditures: $404,181 has been spent on capital through April. Expenditures include $89,469 deposit on the escalator rebuild, $203,860 on village lighting project, $39,549 on Beaver Creek Sports deck, $22,516 on plaza furnishings expected delivery first week of June, $10,809 on Wifi upgrades, and $30,500 on the Beaver Creek App phase III development, and $7,500 on computer replacements.

Cash Balance: The ending cash balance for April was $29,325,394, compared to a budgeted cash balance of $20,018,172. $21,799,018 is being forecast for the year-end cash balance.

Mr. Huber presented a request of funding to the Board; the Contractor working on the Village Hall reskinning project spent $12,000 in extra fees for heaters to accelerate their work and get the pedestrian corridor clear of construction activity prior to Memorial weekend’s Blues, Brews and BBQ event. The Contractor respectfully requested sharing this additional expense. After discussion concerning the optics and partnership opportunities, Mr. Donohue made a motion to share the additional construction cost at an amount not to exceed $6,000; seconded by Mr. Nolan. Motion passed with eight in favor, Mr. Maher opposed.

5. Pickle Ball Funding Amendment. Last month, the Board unanimously agreed via email Resolution to support BCRC funding of the Pickle Ball Courts upgrade project this spring for a total of $125,000 toward the Pickle Ball courts costs. A temporary road for construction access will be required to be built on land Vail Resorts does not own. The HOA is agreeable to allowing this use as long as it is returned back to original condition when the project is complete AND wind/sound screening is installed at a cost
of $68,000. Ms. Guerriero asked the Board for their support on an Amendment to the Resolution. After discussion and upon motion made by Mr. Nolan and seconded by Mr. Donohue, the Board unanimously:

**RESOLVED**, that the Beaver Creek Resort Company Board of Directors hereby agree to increase the contribution to the Pickle Ball Courts from a total of $125,000 to a total amount not-to-exceed one hundred and sixty thousand dollars ($160,00.00) in Fiscal Year 2022.

6. **Ratification of Investment Policy.** Board tabled this discussion until July’s Board Meeting.

7. **Vail Resorts Marketing Update.** Jeff Werkheiser and Lauren Barotz from Vail Resorts Marketing Jim Kellen from Open Space presented the work done to date for summer marketing efforts. They reviewed travel insights, DestiMetrics reports, business performance and the summer marketing plan. Summer marketing changes include branding, creative, messaging and media buys. Recommendations were made to increase May and June media spends to increase July and August occupancy, create additional offers, pull Conde Nast CRM sends forward, increase SEM bid limits for the next month, and promote key summer events in Vail Resorts CRM sends and leverage updated imagery. Board supported the recommended actions.

8. **Strategic Initiatives Update.** Mr. Huber reviewed the recent progress of Strategic Initiative projects to include the estimated costs for the latest Beaver Creek Sports Deck concept. Conscientious partnership with Zehren, Chevo Studios and Plumb Kendall construction has driven a very cohesive and planned design and construction approach. Productive early outreach to County and ERW&S has allayed flood plain concerns and gained helpful feedback to keep permitting process smooth once the Board is ready to move forward. Planned construction would include demolition, infrastructure and potential concrete installation late summer and fall 2022, with completion in spring 2023. The concept carries an estimated all-in cost of $1,241,822 which includes $45,380 already committed. Board aligned on the BC Sports Deck concept as presented and will review in depth at the next SI work session in June.

9. **Transportation Winter Season Recap.** Mr. Hoover and Mr. Gorbold presented a recap report of transportation performance for the 2021-2022 winter season. The first part of the season 11/24-12/19 started operating on the planned opening date, successfully hosted the Birds of Prey World Cup by transporting a record number of spectators to the race venue, and provided village transportation rides for 21,766 passengers with an average wait time of 4.84 minutes. In the second part of the season 12/20-1/0, 53,620 passengers were provided transportation with an average wait time of 11.25 minutes. In the third part of the season 1/10-4/17, 196,691 passengers were transported with an average wait time of 6.46 minutes, along with successfully contracting extra drivers to provide for high volumes during peak spring break weeks. The Board complimented Mr. Gorbold for a successful season of service. Mr. Luker wished to compliment the excellent service from each of the drivers during a challenging time wearing masks. Mr. Hoover complimented Mr. Gorbold on his excellent work during the season.

Mr. Dawsey and Mr. Dann exited the meeting at 11:33am.


Mr. Luker asked that vendors be allowed signage if they are hindered by the construction activity in the village; Board agreed. Ms. Jones to work on construction signage in the village.
11. **Public Safety Reports.** Mr. Kenny reported fewer tow orders and an increase in medical calls in the last month. CCA patrol continues to walk the village and educate guests. Mr. Boselli expressed interest in expanding the purpose of the CCA patrol individuals to information and concierge support.

Fire Mitigation work bids are almost ready for review by BCMD and BCRC Boards; Mr. Kenny will get the Boards together for a presentation by Mr. Fairfield-Smith. Mr. Luker expressed interest in an outreach communication to all HOAs for fire mitigation work to be done by each building.

12. **Lech / Sister Resort Update.** Mr. Nolan updated the Board on learnings he brought back from his recent trip to Lech, Austria. The trip was inspirational. Lech did not receive taxes for 14 months during COVID. Their employee housing program is robust and supports 3500 employees. They are concerned about VRBOs and passed a law that restricts new owners from using their homes as lodging or Airbnb for the first 25 years of ownership. Twenty year old Austrians serve their country for a year. Sixty year old Austrians are required to go to a health camp that is state run. Lech transportation/lodging/ski pass are connected and they are far ahead of Beaver Creek’s guest services. This year is the 22nd year of the Sister Resort relationship between Lech and Beaver Creek and Mr. Nolan suggested BCRC should host a party to celebrate the relationship at the BC Oktoberfest.

13. **New Business.** Mr. Nolan asked if Board meetings are supposed to be three hours instead of two, and if the start time is supposed to be 9:00am. Mr. Luker believes scheduling three hours would be productive for future Board meetings and agreed to a 9:00am start time to accommodate Ms. Guerriero’s schedule.

Mr. Nolan commented the new flags along Village Road look sharp.

14. **Adjourn.** With no further business to come before the board and upon motion made by Mr. Boselli, seconded by Mr. Donohue and unanimously approved, the meeting adjourned at 11:59 a.m.

Respectfully submitted,

Elizabeth Jones
LIST OF EXHIBITS
BOARD OF DIRECTORS MEETING
BEAVER CREEK RESORT COMPANY OF COLORADO
May 26, 2022

A. Minutes of the BCRC Board of Directors Meeting March 24, 2022

B. Financial Report April 30, 2022