MINUTES OF THE
BOARD OF DIRECTORS MEETING OF
BEAVER CREEK RESORT COMPANY OF COLORADO
January 27, 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, January 27, 2022.

Ms. Guerriero called the meeting to order at 8:01 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
- Phil Metz
- Brian Nolan
- Gary Shimanowitz
- Jim Donohue
- Peter Dann via Zoom
- Tim Maher via Zoom
- Bob Boselli via Zoom

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

Also in attendance:
- Clint Huber, Sarah Innerarity, Claire Wood and Drew Stoll from Beaver Creek Resort Company
- Dave Eickholt from Beaver Creek Metro District
- Lee Hoover, Jerry Hensel and Michelle Siemer from Beaver Creek Village Operations
- Koby Kenny from Beaver Creek Public Safety
- Mike Imhof and Bob Ford from Vail Valley Foundation
- Owen Hutchison from Vilar Performing Arts Center
- Sally January from Siempre Viva Clothing
- Rodney Beidelschies from East West

1. Executive Session. Upon motion made by Mr. Nolan and seconded by Mr. Luker, the Board moved into Executive Session at 8:02 am.

Upon motion made by Mr. Maher and seconded by Mr. Luker, the Board moved into Public Session at 9:08 am.

2. Public Comment. Ms. Guerriero introduced the newest member of the Senior Leadership Team, Mr. Lee Hoover, Senior Director of Village Operations. Mr. Hoover has a long history with Vail Resorts and has worked in Crested Butte, Telluride, Breckenridge and Aspen.

Ms. January from Siempre Viva Clothing stated her shop has become a fun retail experience in the village where guests can find gifts and apparel. She wished to speak about the vitality and the retail operating hours of businesses in the village and believes guests expect a certain experience in the village. It has become normalized for some stores to open late or close early even at the height of the holiday season, which impacts the guest experience. Even shortages of staffing should not be a reason to impact retail operating hours. Ms. January is willing to help in any way to ensure the retail stores stay open and encouraged the Board to keep the operating hours a priority.

3. Minutes of the Beaver Creek Resort Company Board Meeting December 7, 2021. Upon motion made by Mr. Nolan and seconded by Mr. Metz, the Board unanimously approved the minutes of the Board Meeting held December 7, 2021 as presented. The minutes are attached as Exhibit A.
4. Financial Report as of December 31, 2021. Ms. Braden-Butz reviewed the financial statements from December 31, 2021, which are attached as Exhibit B:

Ms. Braden-Butz gave an update on BCRC’s investments; the investments made thus far are in Bonds and expect a strong cash-flow over time. Ms. Braden-Butz will be monitoring the costs, fees and activity of these investments.

Year-to-Date Revenues: Through December 31st year-to-date (“YTD”) revenues had a positive variance of $666,919.
- Civic and Lodging Civic Assessments are ahead of budget $401,096 while Mountain/Recreation Assessments had a negative variance of $564,280.
- YTD RETA had a positive variance of 844,346. Real estate sales have continued the positive trend we saw at the end of the fiscal year.

Year-to-Date Expenses: Expenses had a positive year-to-date variance of $204,530.
- Administration had a negative variance of $87,154; Investments Realized/Unrealized Gain/Loss is ($133,436) offset by savings in Investment Admin Fees of $8,776 and Management Fee of $28,558.
- Vilar RETA contribution had a negative variance of $42,217 due to the increase in real estate transfer assessment collection.
- Transportation operations had a positive variance of $112,947. Village Connect had a savings in operating costs of $69,127 and Parking Lot Service had a saving of $43,820.
- Property Maintenance had a positive variance of $103,718. This is timing in Escalator Maintenance of $68,340 for purchase of escalator steps and General Maintenance of $24,395 for completion of handrail plates in the spring.
- Public Safety had a negative variance of $30,700. Currently the management fee is tracking over budget by $41,891. In discussions with their analyst the budget spread wasn’t accurate and they have provided a re-forecasted management fee for rest of year. This negative variance is offset by the timing in the wildfire mitigation efforts budgeted to spend $10,000 in our first quarter.

Year-End Revenues: Revenues are forecast to have a positive variance of $678,537.
- Civic and Lodging Civic Assessments are forecast to have a positive variance of $401,096. Mountain Civic/Recreation Assessment is forecasted for a negative variance of $564,280 due to the slow start to the ski season.
- RETA is forecast to have a positive variance of $844,346 which is the positive variance collected for the first quarter. For January we have collected $425,738 with $125,518 pending receipt for closed properties for a total of $551,256 on a budget of $464,999. Currently there are 11 condos and townhomes and 5 single family homes and duplexes under contract with an estimated RETA value of $1,201,751.

Year-End Expenses: Total expenses are anticipated to have a negative variance of $51,969 by year-end.
- Administration a negative variance of $121,634 mainly due to the unbudgeted unrealized/unrealized gain/loss on our investments that is trued up monthly.
- Activities and Events tracking at a negative variance $60,727 variance for the Pristine Landscapes holiday lighting installation.
- Transportation is forecasted at a positive variance of $151,951 in operating costs for both Village Connect and Parking Lots.
Capital Expenditures: $103,897 has been spent on capital through December. Expenditures include $36,231 on village lighting mobilization, $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 December was $16,578,500, compared to a budgeted cash balance of $15,188,200. $15,248,159 is being forecast for the year-end cash balance.

Mr. Nolan asked for detail on Mtn Rec negative variance; past sales revenue was not fully realized because of December’s slow season open. The Mtn Rec has not yet been reforecast.

5. FY22 Capital Plan. Ms. Braden-Butz and Mr. Huber reviewed the current list of capital projects for FY22. The planned expenditure is $2,537,410 comprised of $1,812,000 in Strategic Capital and $725,410 in maintenance capital.

The Strategic Capital plan reflects the accelerated Vision Plan project plan aligned upon at the January 7 Work Session.

- Village Lighting Phase I to include components of a) optimization of our current lighting footprint, b) creative and modern curation, and c) interactive installations for $1,150,000. The Board will be presented with a menu of options and recommendations for each of the three project components.
- Beaver Creek Sports Deck Redesign. The estimated cost of $362k has been retained from prior drafts of the capital plan but may increase depending on the Board’s chosen concept.
- Sound System Upgrade project costs have been reduced from $90k to $35k based on refined scope and vendor quotes.
- Planning capital for the Kids/Teen Space concept ($25k), Creekside Park ($20k) and Accessibility/ADA ($20k). The Board has expressed interest in potentially pursuing construction/installation of the Kids/Teen space and Creekside Park Playground in 2022. If construction/installation is determined to be feasible for 2022, additional capital funds may be requested at a future meeting.

The Maintenance Capital plan remains unchanged from the prior draft of the 2022 capital plan.

- Larger projects include two escalator rebuilds ($180k), plaza furnishings and amenities ($125k), and engineering for ice rink penetration and improved drainage ($80k).
- Maintenance investments in technology include phase III of updates to the BC App ($50k), DRB automation ($50k), homeowner database ($50k), upgrades to Village WiFi equipment ($11k), and staff computer needs ($9k).
- Remaining projects include various equipment replacements, landscaping and a permanent propane storage solution. Contingency capital of $50k is included in the budget.

Mr. Maher asked about the planned Lawn Activation phase which includes music, lawn games, furniture on the back lawn area and entertainment. He would like to see renderings and quotes of this activation.

After discussion and upon motion made by Mr. Boselli and seconded by Mr. Maher, the FY22 Capital Plan was unanimously approved.

6. VPAC Financials Update. Mr. Imhof and Mr. Ford from the Vail Valley Foundation reviewed the audited pages of the VPAC financials for 2021 and the budget for FY2022. This will be the last year that the VPAC and VCAF will have separate financials to discuss because of the organizational changes made last June 2021. Mr. Ford further explained the grants applied for both under VPAC and VVF. The
financials review, consolidating statements and combined financial statements were discussed and are attached as Exhibit C.

Mr. Donohue appreciated the clear and concise audited financials and the explanation of such.

Mr. Luker asked about the process for BCRC to review the RETA Super fund use for booking large acts in the VPAC. Mr. Imhof stated the process is the same as previous years; the VPAC Director emails the BCRC Director a list of potential acts each season to discuss.

7. VPAC Capital Projects Approval. Mr. Hutchison presented the planned Capital Projects for the VPAC in 2022 to include:
   a. HVAC Upgrade (Design Phase only) budgeted at $192,420
   b. Installation of New Line Array (PA) System budgeted at $487,000

Upon motion made by Mr. Luker and seconded by Mr. Nolan, the VPAC Capital Projects for 2022 were unanimously approved as presented.

8. Village Hall Reskinning Construction Project. Mr. Beidelschies, Director of Construction for East West, presented the construction plan for the Village Hall 2022 reskin project. Village Hall will undergo a full facelift of siding, windows and doors for the building. The phases of construction throughout the summer were considered for their impact to the village. Mr. Nolan invited Mr. Beidelschies to attend a Beaver Creek Merchant Meeting to share the same information.

9. Strategic Initiatives Update. Mr. Huber reviewed the latest information regarding strategic initiatives:

**Vision Plan 2.0**
At the January 7 Board Work Session, the Board aligned on the following new Vision Action Plan 2.0 to support our position as the WORLD’S BEST LUXURY FAMILY RESORT. Reaching this milestone brings immediate focus to where we will be directing our resources. This plan and support material is being compiled into a tool to be used for stakeholder outreach, alignment and to drive momentum for transformational improvements.

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**Ongoing:**
- Hardscape Replacement/Repair
- Maintenance Surge, Attention-to-Detail Projects (including loading dock doors)
- Strategic Dialogue With Commercial Partners on Dining, Retail, Experience Spaces

*Potentially pull forward/prioritize earlier*
Village Lighting Project
The lighting project is being approached from three perspectives:
   a. Optimizing existing lighting footprint through repair, refurbishment or replacement of existing fixtures throughout Village.
   b. Curate and modernize the evening experience.
   c. Interactive moments throughout the Village.

Our vendor, Visual Terrain conducted site visits during the first half of January and will be working to provide a detailed report on the first initiative (optimizing existing footprint) prior to January 27. Information on this report will be distributed to the Board when available and discussed at the January 27 Board work session, and Visual Terrain will be on-site to present the full lighting master plan for the remaining lighting initiatives.

Beaver Creek Sports Deck and Creekside Park Master Plan
Zehren and Associates has been selected to lead the concept design and execution of a redesigned Beaver Creek Sports deck area and a Creekside Park master plan and playscape. Many factors were considered in this decision including: extensive experience with Beaver Creek, the quality of their proposal, cohesion of design among the projects, previous Creekside Park planning work, portfolio of modern mountain village playgrounds, financial and operational efficiencies, capacity and ability to execute.

Zehren believes the permitting process and potential backlog of raw materials will likely mean the Beaver Creek Sports Deck project construction will need to be in fall 2022 and unlikely in spring. Timing of Creekside Park Master Plan and playscape design is yet to be determined.

Teen/Kids Concept at Landing Mercantile
Discussions with the Village Hall construction project manager and VR commercial leasing indicate this concept could potentially proceed by taking possession of the space in September and furnishing for opening Phase I by next winter.

10. Design Review Board Update. Mr. Luker wished to point out to the Board that an owner in the Peregrine Villas is requesting permission to build outside of the building envelope.

11. Public Safety Reports. Mr. Kenny reviewed the Public Safety reports, noting that boot and tow orders had increased over the month due to Centennial station drop off habits. Motor vehicle accidents had also increased due to inclement weather.

12. New Business. Mr. Luker stated the Regulations Committee met and discussed the Board returning to a “normal” outdoor display schedule, which would not allow for outdoor merchant displays until ski season end.

Upon motion made by Mr. Luker and seconded by Mr. Nolan, the Board unanimously agreed that outdoor merchant displays are not allowed at this time. In March, the Board will review and vote upon a “normal” outdoor display schedule for the year.

Mr. Metz questioned if the outdoor displays will be regulated and Ms. Jones affirmed they will.

13. Adjourn. With no further business to come before the board and upon motion made by Mr. Maher, 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
January 27, 2022

A. Minutes of the BCRC Board of Directors Meeting December 7, 2021

B. Financial Report December 31, 2021

C. Vilar Performing Arts Center and Vilar Center Arts Foundation Combined Financial Statements