

MINUTES OF THE
BOARD OF DIRECTORS MEETING OF
BEAVER CREEK RESORT COMPANY OF COLORADO
JUNE 22, 2023

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, June 22, 2023.

Mr. Bobby Murphy called the meeting to order at 9:00a.m. Erin Jarvis 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:

Bobby Murphy-zoom	Jeff Luker
Phil Metz	Bob Boselli
Tim Maher	John Dawsey
Jim Donohue	Brian Nolan

Representing the Company were Jim Clancy, Executive Director; Karen Braden-Butz, Treasurer; Erin Jarvis, Secretary

Attendance in Public Session:

Clint Huber - BCRC	Michael Simmons-Creekside GM
Krista DeHerrera - BCRC	Brendon Caffrey-Creekside Management via zoom
Inno Martino- BCRC via zoom	Lisa Pisciotta-Creekside Resident via zoom
Olivia Lyda-BCRC Communications via zoom	Matt Tetef – Vail Resorts Retail via zoom
Owen Hutchinson, VPAC Executive Director	Brian Frederick-via zoom
Alexia Jurschak-BCPOA	Nancy Smith-Creekside Condo Owner via zoom
Steve Nusbaum-BC DRB	Jack Bentley-BC Ski School
Sam Hearn – BC DRB	Michael Steinberg-Creekside Resident
Dave Eicholt-BC Metro District	Chris Romer-VVP President and COO
Lee Hoover - Beaver Creek Village Operations	Jan Vessa-Creekside Resident
Koby Kenny- Beaver Creek Base Area Operations	Tom Mueller-Creekside Resident
Paul Gorbold - Beaver Creek Transportation	John Goodman-Creekside Condo Legal Counsel via zoom
Bruce Kiley-BCPOA via zoom	Ed Palmer-Creekside Resident
Robin Nash-BCRC via zoom	Susan-via zoom
	Mark-via zoom

1. Election of Board President. Erin Jarvis presented the resignation letter of Ms. Nadia Guerriero and the appointment letter by Vail Resorts for Mr. Bobby Murphy to replace the Class F Director seat. Upon motion made by Mr. Nolan and seconded by Mr. Luker, the Board unanimously

RESOLVED to elect Mr. Bobby Murphy as President of the Beaver Creek Resort Company.

2. Public Comment. Mr. Simmons, GM of Creekside Condos, expressed his concern for unintended consequences of the new Creekside Park Masterplan and stated that the Creekside Condos Association has sent legal notice to BCRC and opposes any new playground features outside of the existing

playground footprint. Ms. Pisciotta, a Creekside Condo homeowner, was concerned about break-ins with the new park being closer to her property. Mr. Goodman, legal counsel to Creekside Condos, stated that there was an official objection filed on June 9th which mentions zoning requirements and maintenance, repair and replacement limitations of the easement. Mr. Palmer, Creekside Condo homeowner, mentioned his concerns of the loss of the grass area outside of Creekside.

3. Minutes of the Beaver Creek Resort Company Board Meeting May 25, 2023. Upon motion made by Mr. Nolan and seconded by Mr. Dawsey, the Board unanimously

RESOLVED to approve the minutes of the May 25, 2023 meeting.

Minutes of the Beaver Creek Resort Company Special Meeting June 12, 2023. Upon motion made by Mr. Nolan and seconded by Mr. Metz, the Board unanimously

RESOLVED to approve the minutes of the June 12, 2023 meeting.

These minutes are attached as Exhibit A and Exhibit B.

4. Vail Valley Partnership Update Chris Romer, President and CEO of VVP, gave an update on Group Sales performance and Economic Development initiatives.

Group sales saw a very successful 2022 year. Group leads are still stable for FY23 summer and winter but weddings are significantly down YOY due to the pandemic cycle. Vail Valley Works has helped attract grant funding for workforce training and professional developments.

VVP will no longer be asking for EGE Air Alliance sponsorship because of the RTA tax that includes dedicated funding. There is steady growth at the airport with a new flight coming in from LAX this year. There is also a \$1M grant to attract a low cost carrier to the airport within the next five years.

Mr. Donohue requested more information about comp sets at other mountain airport destinations and reliability of shuttle link flights coming into EGE and if ILS technology is being used or available. Mr. Romer will follow up on these items and also explained that the EGE Air Alliance does not change but that there is an additional RTA seat now. Mr. Luker asked about VVP's involvement in the housing crisis. Mr. Romer elaborated on all the programs the VVP has been partnering with Eagle County and the parcel in Eagle Vail for workforce housing that Beaver Creek has been invited to partner with.

5. Financial Report April 30, 2023. Ms. Braden-Butz presented the April financials, which are attached as Exhibit C.

Revenues ended with a positive variance to budget of \$350,137:

- Civic & Lodging Assessments results are a favorable variance of \$134,377 or 65% to budget.
- Mountain Recreation Assessment results are favorable to budget by \$39,525 or 21% to budget.
- Real Estate Transfer Assessment resulted in a favorable variance of \$95,763 or 18% to budget.

Expenses resulted in a negative variance of (\$49,280) to budget:

- Most departments with negative variances is timing in spend.
- Public Safety and Design Review Board positive variance is savings in management fee.

Year-End Forecast update:

- Revenue change to prior forecast is a positive \$198,705 resulting in the revised year-end

revenue forecast to be at a positive variance to budget of \$3,126,469.

- Expenses change to prior forecast is unfavorable by \$44,008 resulting the revised year-end expense forecast at a positive variance to budget by \$30,304.
 - Professional Services increase of \$40,225 is the Cultivator contract for marketing the Inspire projects and for a reserve study to be prepared on the BCRC assets.

The Year-End Forecast Revenues and Ending Cash Balance:

- Net Excess Revenues/(Expenditures) is forecasted at \$3,225,026 on a budget of \$68,253.
- Ending Cash Balance of \$24,266,603 on a budget of \$19,954,984.

There was discussion on capital spend with projects forecasted to be completed this summer and RETA exceeding budget in May and June. Still expecting RETA to be reliable for the rest of the year. Even with lodging occupancy being lower YOY in May and June, restaurants are still seeing strong business.

6. Donation Policy. Mr. Clancy reviewed the edits to the BCRC Donation Policy as directed from the previous BOD Meeting. There is more clarity on criteria and examples provided in this draft. Mr. Donohue suggested that the charitable policy can be confused as a marketing expense. Mr. Maher suggest the language about email approval be removed and that requests are handled in the normal course of business. Mr. Luker said this is a donation policy and not specifically only for charities which could be tied to marketing, groups or events. Mr. Metz said a definition of community should be better defined for staff's knowledge in vetting applications. There needs to be a budget line item in order for staff to track donations.

7. Strategic Initiatives. Mr. Huber presented updates on the strategic Initiatives. The Creekside Patio is 90% complete and waiting on the handrails for the stairs. Hawks Nest Cabin is ahead of schedule with continued work on the simulators and FF&E items. Creekside Park is receiving feedback from neighboring communities and the design options of The Nest feature will be provide for the BOD to review in the coming weeks. The lighting optimization project is gaining momentum with Visual Terrain being onsite in the coming weeks to meet with property personnel on their projects. The first shipment of light fixtures have been shipped and will be in mid-July. The *Beaver Creek Inspire* marketing campaign from Cultivator is almost complete and will be shared with the BOD in the coming weeks to provide a platform and presentation of what the community is doing to modernize Beaver Creek.

BOD conversation was had about promoting the Hawks Nest Cabin at Merchant Association meetings, One Village, etc. A suggestion was made to Mr. Murphy and VR Marketing to skin one of the Chair 6 gondolas to be a replica of the Hawks Nest Gondola in order promote the new teen space. Mr. Donohue mentioned that there has been money allocated to Legendary Attention to Detail for maintenance in the village and that there needs to be a refocused sense of urgency on those details. Mr. Huber stated that the reserve study is a part of this maintenance plan to make sure the maintenance money is being spent the right way. Mr. Luker said that damage to items that have been initially improved is disappointing and need to hold entities more accountable, i.e. the front lawn sections.

8. VPAC Governing Documents. Mr. Clancy presented the updates to the VPAC governing documents and that the management agreement should also be considered in these updates. There are only three items yet to be resolved which Mr. Luker and Mr. Clancy just received the clean edits from legal. There

has been a lot of work to bring these documents up to date. Upon motion made by Mr. Donohue and seconded by Mr. Metz, the Board unanimously

RESOLVED to approve the authorization for Mr. Luker and Mr. Clancy to sign the final VPAC Governing Documents once reviewed.

Further discussion, with direction to staff, to start the identification and prioritization of other governing documents that need to be updated and modernize.

9. VPAC 25th Anniversary Contribution. Mr. Clancy presented the cost structure of the three potential VPAC upgrades the BCRC BOD should consider sponsoring: projector and screen replacement, exterior lighting or wireless microphone. Discussion followed on lighting design and estimates all subjected to Market Square BOD approval. Finance Committee discussed the fact that we own the asset which is why the lighting project could be funded while other buildings are not. Mr. Hutchinson stated that the projector would make the most material impact on VPAC operations. Upon motion made by Mr. Luker and seconded by Mr. Donohue, the Board unanimously

RESOLVED to approve the projector project as defined to the BOD in the 25th VPAC FY24 Capital packet.

10. Marketing Committee Update. Mr. Clancy reviewed the status of marketing items including the creative platform and Beaver Creek branding with VR Marketing. The progress is slower than expected and is behind on the target dates for launching this FY23/24 winter season. Summer lodging marketing is a focus with OpenSpace. Discussion continued about the consistency within the VR marketing department.

11. Transportation Committee Update. Ms. Jarvis presented the updates for transportation with winter jobs being recently posted, and that the Village Connect app user interface has been updated and the back end will be updated in July.

12. Events Committee Update. Ms. DeHerrera presented updates on the BC Unplugged performances, Independence Day Celebrations and the Art Festival in August. Oktoberfest beer steins have been ordered from Germany. BOD suggestions were made for updates to the BC App and BC.com and also on how to acknowledge Helmut Fricker in the village

13. DRB Report and Appointment. There was no discussion or questions on the DRB report or appointment. Upon motion made by Mr. Nolan and seconded by Mr. Donohue, the Board unanimously

RESOLVED that Tom Borbone be appointed as member of the Company's Design Review Board to serve for a period expiring September 30, 2023.

14. Public Safety Report. Ms. Jarvis mentioned that there was a new construction violation code in the report and all the trash violations have been sent a violation letter.

15. New Business. Mr. Nolan stated that Rimini is changing the use and format of their unused commercial space which is very exciting. Michelin will not be taking another round of visits but will start awarding stars, perhaps up to 18 stars, at the October event.

16. Executive Session. Upon motion made by Mr. Boselli and seconded by Mr. Dawsey, it was unanimously

RESOLVED to enter into Executive Session regarding legal matters. The Board entered into Executive Session at 11:38am and return to public session at 12:01pm.

17. Creekside Park Committee. The BOD created a Creekside Park Committee led by Mr. Huber with Mr. Murphy, Mr. Luker, Mr. Dann and Mr. Maher. They will be tasked with reviewing design plans and communication plans to provide recommendations to the BOD.

18. Adjourn. With no further business to come before the board and upon motion made by Mr. Boselli and seconded by Mr. Metz and the Board unanimously

RESOLVED to adjourn the meeting of the Beaver Creek Resort Company Board of Directors held Thursday, June 22, 2023 at 12:02pm.

Respectfully submitted,

Erin Jarvis
Beaver Creek Resort Company
Secretary

LIST OF EXHIBITS
BOARD OF DIRECTORS MEETING
BEAVER CREEK RESORT COMPANY OF COLORADO
June 22, 2023

- A. Minutes of the BCRC Board of Directors Meeting May 25, 2023
- B. Minutes of BCRC Board of Directors Special Meeting June 12, 2023
- C. Financial Report April 30, 2023