

GRAND COLORADO ON PEAK 8 OWNER'S ASSOCIATION BOARD OF DIRECTORS AND ADVISORY COMMITTEE MEETING MEETING MINUTES 11/1/18

ATTENDANCE

Board Present: Barry Chasnoff, Nick Doran
Advisory Committee Present: Roger Lemmon, Skip Klenk, Debby Tennyson-Feinstein, Curt Kane
Absent: Jennifer Gilligan (AC), Mike Dudick (B)
Management Present: Kimberly Tramontana, Jason Bretz, Stephanie Bristley, Joe Clark-Fulcher, Peggy Helfrich, Christine Britton

CALL TO ORDER

Barry Chasnoff, President of the Grand Colorado on Peak 8 Owners Association, called the meeting to order at 4:35PM.

CHANGES TO THE AGENDA

There were no changes to the agenda.

APPROVAL OF MEETING MINUTES

Motion was made by Nick to approve the June 2, 2018 meeting minutes and Barry seconded the motion.

No discussion.

All in favor, motion passed.

UNAUDITED FINANCIALS

GC80A AUGUST 2018

- Overall, the Operating budget is experiencing an unfavorable variance \$123,402 YTD.
- Operating Revenue is showing an unfavorable variance of \$312,053 YTD.
 - Developer Stop Gap shows an unfavorable variance of \$98,332 as the Stop Gap is not needed at this time.
 - Late Fee Income shows a favorable variance of \$13,567 as more late fees were assessed than anticipated.
 - Misc Income show a favorable variance of \$11,213 as more income was received than anticipated.
- We are happy to share that the Operating Expenses show a favorable variance of \$188,651 YTD.
 - Common Area Amenities shows an unfavorable variance of \$19,298 due to purchasing additional furniture for pool area.
 - Recycling / Compost shows a favorable variance of \$13,470 due to recycling costs being less than anticipated with Phase 3 opening.
 - Insurance shows an unfavorable variance of \$55,657 due to a rewrite of Travelers Commercial Package to include Phase 3 units coming on line.

- Unit Electric shows an unfavorable variance of \$14,475 due to using more electricity than anticipated with Building 2 opening.
- Unit Gas shows a favorable variance of \$11,341 due to using less gas than anticipated with Building 2 opening.
- Unit Cleaning shows a favorable variance of \$182,275 due to additional income from developer cleans being billed.

Timing variances include:

- Water and Sanitation shows a favorable variance of \$15,838 due to a timing issue on the invoice.
- Fire Alarm Maintenance shows a favorable variance of \$11,823 as we haven't paid for the annual service contract yet.
- Collection Expense shows an unfavorable variance of \$19,873 as accounts were moved to collections sooner than in previous years.

Motion was made by Nick to accept the August 2018 unaudited financials and seconded by Barry.

Discussion:

- *Owner Assessment Income will remain under budget through the end of 2018 as the result of the developer's dues not having the cost of a weekly clean backed out. The developer's dues do not include the cost of one cleaning per week owned due to the significant amount of inventory that the developer owns, all of which may not get occupied. Instead, the developer pays for any cleans that were incurred in the weeks that they own at the end of each month. Moving forward, safe guards have been put into place to ensure for accurate budgeting.*
- *GC8OA should end the year with a \$322K operating fund deficit which will be offset by the approx. \$211K in retained earnings, bringing the forecasted operating fund deficit to approx. \$110K.*
- *The developer stop gap covers expenses such as an open common area amenity that will benefit owners of all five phases of the resort while only three phases worth of owners are being billed HOA dues and will be booked in December 2018.*
- *There is an outside audit of the financials every year and reported directly to the owners at the Annual meeting. The auditors are working for the HOA and if there was any misconduct the firm would go straight to the board president of the particular HOA.*

All in favor, motion passed.

AR UPDATE

- Deeds recovered since January 1, 2018 – 1
- 96% paid of 2018 HOA dues as of 9/30/18
- 97% paid of 2017-18 HOA dues as of 9/30/18

Discussion:

- *The main reason people aren't paying is general oversight.*
- *Industry average for delinquency at a legacy resort is around 17%, GP is under 10%, GTL is around 7% and GL7 is at 4%.*
- *ARM does a low cost, effective email blast, reminder letters and some cases will make phone calls. Also offer a monthly payment plan.*

- *The rest of the money from the budget and HOA dues doesn't cover the developers or phase 3 for 12 months of the year for the budget in 2018 of \$6.2 million - The total bills due doesn't include the developer dues.*

Action Item – share GC8 owner demographic information with the board and AC

Action item - Joe to explore the option of including the developer dues in the graph

GENERAL MANAGER REPORT

November 2018

We are very excited that Buildings 1 & 2 have been fully open at the Grand Colorado on Peak 8 for the past six months, including all the wonderful amenities located within these buildings.

The Grand Colorado on Peak 8 team is dedicated to creating a grand vacation experience for all owners and guests. Below are some highlights from around the resort:

- The Lobby Bar is now being operated by Breckenridge Grand Vacations. We will be rolling out more promotional events and activities over the coming weeks and throughout the ski season.
- A pet relief area has been created above the outdoor aquatics center, located adjacent to the ski area. This is a temporary location until we can create a larger, permanent space where the construction trailers are currently located.
- Our Engineering Team has installed screen doors on all suite balcony doors to provide a way for owners and guests staying in these units to get some fresh air. We started with these rooms first because most of them do not have any windows. We are planning to add screen doors in the Colorado and Breckenridge master residences next summer.
- Water fountains with water bottle fillers were installed on the Plaza level near the locker rooms and on the Terrace level near Robbie's Tavern.
- A timer switch has been installed in the steam room. This ensures that the steam will only turn on when in use and extends the life of the steam generator. This also cuts down on energy usage and reduces the amount of steam that fills the Grotto when the steam room door is left open.
- The Peak Eight Market has added more Colorado souvenir items and swim suits. We've also added more grab-and-go food items for owners and guests who are in a hurry.
- The GC8 Activities Department is now offering yoga classes.
- New composite cabinets and cubbies were added to the outdoor aquatics center so that owners and guests have somewhere to keep robes and towels.
- The Grand Colorado on Peak 8 was awarded with the Gold status for our sustainability efforts and energy efficiency from High Country Conservation Center (HC3) through their Resource Wise program. This is the highest level of recognition that can be obtained.
- We unveiled a new, re-branded *Sustainability Program* at Breckenridge Grand Vacations to replace our former opt-in *Sustainable Stays* program. The new program encourages everyone to participate and do what they can to help us be more sustainable and save money.
- A grass area was added at the Courtyard Grilling Patio located between Buildings 1 & 2 for yard games. When the weather permits, bean bag toss and ladder ball are available in this location for families to enjoy.
- Larger tables and colorful chairs have been added to all the Colorado master balconies.
- Our Front Desk Team won an *ARDY Gold Award* at the American Resort Development Association (ARDA) World Convention for *Best Resort Operations Department*.

Looking ahead, we are very excited that Building 3 is coming along quickly. We are always looking for ways to make improvements around the resort and here are a few initiatives we will be working on in the coming year:

- We will be creating new, exciting activities and events such as wine tasting and a cooking demo.
- A satellite bar will be set up outside on the pool deck during busy times.
- We will install a water bottle filling station at the water fountain located in the indoor pool center.
- We are preparing to open Building 3, which consists of Phase 4 residences and all the exciting amenities that will be located in that building such as the ice-skating rink/sport court, Daily Buzz coffee shop, additional pools and hot tubs, another Day Use Lunch Room/Activities Center, 4th floor lounge and another movie theater.
- We will be installing bulk amenity dispensers to replace the small bottles of shampoo, conditioner, lotion, body wash and individually wrapped hand soap that we currently offer. This initiative will help to save money and be more sustainable.

No discussion.

PROPOSED CHANGES TO THE RULES AND REGULATIONS

ONLINE RESERVATIONS

Breckenridge Grand Vacations (BGV) is excited to share that we are making great strides in our effort to offer owners an online option for reserving owner weeks in real-time. Our owners have spoken, and we have listened to the many requests for an additional booking option to the current phone in request system that is being utilized.

That said, it is our goal to offer a real-time online reservation booking option for owners at some point in early 2019. There is potential that this owner benefit could be released sooner, based on development and testing.

We recommend that reservations will still be made on designated booking days and reservations will still be on a first come, first served basis beginning at 9am on the Wednesday that is 365 days in advance of the desired check-in date. Or, three and four-bedroom owners will still be made on that designated booking day, which begins at 9am on the Wednesday that is 372 days in advance of the desired check-in date.

Once released, owners will have the option to either call in over the phone to reserve their owner week, or owners will also have access to reserving their owner week(s) online at www.BGVGrandCentral.com. BGV is looking forward to sharing more updates with our owners as this project progresses. There will also be owner beta testing, as well as a strong educational campaign before this initiative is rolled out to owners for use.

With the addition of this new booking platform, BGV would like to propose updating the Rules and Regulations to be inclusive of this new option for securing reservations. These proposed changes are available for review under section B., Reservation Procedures, in the Grand Colorado on Peak 8 Owners Association, INC. Rules and Regulations.

Current:

**GRAND COLORADO ON PEAK 8 OWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

2. *A Vacation Owner of a Floating Vacation Week shall have the right to use and occupy a Vacation Unit only in accordance with the following reservation procedures:*
 - a. A Vacation Owner of a Suite Breckenridge Unit designated by letter “B” or “C” and a Vacation Owner of a One-Bedroom Breckenridge Unit designated by letter “A” or “D” is entitled to reserve a Floating Vacation Week in his designated season in a comparable Vacation Unit to the Unit purchased (as set forth in his Deed) by notifying the Managing Agent. Notification may be by regular mail, email, or phone. Requests may be made no more than the first Wednesday that is three hundred sixty-five (365) days or less in advance of the check-in date for Two-Bedroom Breckenridge Units, One-Bedroom Breckenridge Units and Suite Breckenridge Units. Requests may be made no more than the first Wednesday that is three hundred seventy-two (372) days or less in advance of the check-in date for Three-Bedroom Breckenridge Units and Four-Bedroom Breckenridge Units. Reservation requests received in advance of the first booking day will be rejected.
 - b. A Vacation Owner of a Suite Colorado Unit designated by letter “F” or “G” or “H” or “I” and a Vacation Owner of a One-Bedroom Colorado Unit designated by letter “E” is entitled to reserve a Floating Vacation Week in his designated season in a comparable Vacation Unit to the Unit purchased (as set forth in his Deed) by notifying the Managing Agent. Notification may be by regular mail, email, or phone. Requests may be made no more than the first Wednesday that is three hundred sixty-five (365) days or less in advance of the check-in date for Two-Bedroom Colorado Units, One-Bedroom Colorado Units and Suite Colorado Units. Requests may be made no more than the first Wednesday that is three hundred seventy-two (372) days or less in advance of the check-in date for Three-Bedroom Colorado Units and Four-Bedroom Colorado Units. Reservation requests received in advance of the first booking day will be rejected.
 - c. All reservations for Floating Week Owners or Fixed Week Owners who wish to convert their week stay to a Floating Vacation Week are subject to availability and will be honored on a first-come, first served basis, and will not be effective unless confirmed in writing by the Managing Agent. All reservation requests received by mail on the same day will be opened in random order.

Proposed:

**GRAND COLORADO ON PEAK 8 OWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

B. RESERVATION PROCEDURES

2. A Vacation Owner of a Floating Vacation Week shall have the right to use and occupy a Vacation Unit only in accordance with the following reservation procedures:
 - a. A Vacation Owner of a Suite Breckenridge Unit designated by letter “B” or “C” and a Vacation Owner of a One-Bedroom Breckenridge Unit designated by letter “A” or “D” is entitled to reserve a Floating Vacation Week in his designated season in a comparable Vacation Unit to the Unit purchased (as set forth in his Deed) by notifying the Managing Agent. *Notification may be completed online, if an online option is available, or by phone. ~~and~~* Requests submitted via ~~through~~ email will be handled after online and phone requests have been handled. ~~by regular mail, email or phone.~~ Requests may be made no more than the first Wednesday that is three hundred sixty-five (365) days or less in advance of the check-in date for Two-Bedroom Breckenridge Units, One-Bedroom Breckenridge Units and Suite Breckenridge Units. Requests may be made no more than the first Wednesday that is three

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- b. A Vacation Owner of a Suite Colorado Unit designated by letter "F" or "G" or "H" or "I" and a Vacation Owner of a One-Bedroom Colorado Unit designated by letter "E" is entitled to reserve a Floating Vacation Week in his designated season in a comparable Vacation Unit to the Unit purchased (as set forth in his Deed) by notifying the Managing Agent. Notification may be completed online, if an online option is available, or by phone. ~~And~~ Requests submitted via ~~through~~ email will be handled after online and phone requests have been handled. ~~by regular mail, email, or phone~~. Requests may be made no more than the first Wednesday that is three hundred sixty-five (365) days or less in advance of the check-in date for Two-Bedroom Colorado Units, One-Bedroom Colorado Units and Suite Colorado Units. Requests may be made no more than the first Wednesday that is three hundred seventy-two (372) days or less in advance of the check-in date for Three-Bedroom Colorado Units and Four-Bedroom Colorado Units. Reservation requests received in advance of the first booking day will be rejected.
- c. All reservations for Floating Week Owners or Fixed Week Owners who wish to convert their week stay to a Floating Vacation Week are subject to availability and will be honored on a first-come, first served basis, and will not be effective unless confirmed in writing by the Managing Agent. ~~All reservation requests received by mail on the same day will be opened in random order.~~

Nick made the motion to approve the changes to the GC80A rules and regulations to include online reservations and Barry seconded the motion.

No discussion.

All in favor, motion passed.

DUES DATE

GRAND COLORADO ON PEAK 8 OWNERS ASSOCIATION, INC. RULES AND REGULATIONS

Current:

I. PAYMENT OF ASSESSMENTS

The Assessments shall be due annually on January 1st each year. The Association shall bill each Owner annually; however, Owner's failure to receive a bill shall not excuse payment of an installment. Failure to pay an installment within thirty (30) days of its due date shall result in the addition of a late fee in the amount of up to five percent (5%) of the unpaid fee. All unpaid installments and late fees shall bear interest at the rate of eighteen percent (18%) per annum (1.5% per month) until the unpaid installment(s), late fees and accrued and unpaid interests are paid. All costs of collection, not to exceed thirty-five percent (35%) of the amount to be collected, will be added on to all accounts sent to collections and these fees along with any associated legal fees will be the responsibility of the Owner.

Proposed:

II. PAYMENT OF ASSESSMENTS

The Assessments shall be due annually on *February 1st* each year. The Association shall bill each Owner annually; however, Owner's failure to receive a bill shall not excuse payment of an installment. Failure to pay an installment within thirty (30) days of its due date shall result in the addition of a late fee in the amount of up to five percent (5%) of the unpaid fee. All unpaid installments and late fees shall bear interest at the rate of eighteen percent (18%) per annum (1.5% per month) until the unpaid installment(s),

late fees and accrued and unpaid interests are paid. All costs of collection, not to exceed thirty-five percent (35%) of the amount to be collected, will be added on to all accounts sent to collections and these fees along with any associated legal fees will be the responsibility of the Owner.

Nick made the motion to approve the changes to the GC80A rules and regulations for the dues to be due on February 1st and Barry seconded.

Discussion:

- *Technically the dues are due on February 1 but there is a 30-day grace period and the first delinquent notices go out around the second week of March.*

All in favor, motion passed.

PROPOSED SKI LOCKER FEE

The Grand Colorado on Peak 8 has ski lockers for all owners and guests staying on property. In addition, we planned to have approximately 200 year-round ski lockers for select owners. Due to overwhelming demand for year-round lockers, the issuance of the first 200 lockers and with the additional space created by Building 3, we intend to triple the number of year-round lockers by the end of construction of Building 3. In order to clean and maintain the increased number of lockers and locker rooms, we will now charge an annual fee to new year-round locker owners of \$250 per year, per locker. This fee will only be billed to new year-round locker owners who receive a new or additional locker after November 1, 2018. Existing year-round locker owners will be excluded from the annual fee for year-round lockers they have already been assigned. All new contracts issued after 11/1/18 that include a year-round locker will be responsible for the annual locker fee. This fee will help cover the additional Housekeeping and Engineering expenses incurred by these ski lockers and the rooms they are contained in. This maintains fairness to all owners by having the majority of the year-round locker owners responsible for the ongoing upkeep and cleaning of the additional lockers and locker rooms. This new revenue for the GC80A will help offset any dues increases that could result from future efforts to eliminate the developer contribution to the GC80A.

This change is allowed per Section 8.29(p) of the Declaration which authorizes the Association's imposition of a fee for the use, rental or operation of common elements. That being said, we wanted to have the GC80A Board approval prior to moving forward with this change.

Nick made the motion to approve the new ski locker fee and Barry seconded.

Discussion:

- *The expense line item for the lockers is to cover the admin costs of the billing each owner for each locker.*

All in favor, motion passed.

STABLES LOT LEASE AMENDMENT

BGV is abating the Stables Deck lease payment in 2019 including utilities. An amendment has been created to acknowledge this.

Nick made the motion to approve and sign the Stables Lot Lease Amendment and Barry seconded.

Discussion:

- *There has been no change in the ownership of the lower level of the stables deck.*
- *The developer will reevaluate this each year*

All in favor, motion passed.

2019 PROPOSED GC8OA BUDGET

Grand Colorado on Peak 8 Owners' Association 2019 Proposed Budget Summary
General Summary

- Total Proposed 2019 Fiscal Year GC8OA Budget: \$7,205,133.
- Based on the forecast for the remainder of 2018, we are anticipating that the GC8OA is expected to have an unfavorable operating fund variance of approx. \$322K. The primary reason for this is due to mis-budgeting the developer cleans in the owner assessment, and as a result, safeguards have been put in place to ensure this doesn't happen again. As you may recall, GC8OA has retained earnings in the amount of \$211,645, which will offset the operating fund deficit and reduce it to approx. \$110K.
- As you know, the GC8OA is not yet fully self-sufficient when it comes to paying for all of the expenses associated with running the resort. BGV intends to continue working in partnership with the GC8OA Board to eliminate the developer contribution over the next few years. As previously communicated, you will see some new expense in the proposed 2019 budget, as well as some new revenue:
 1. The new revenue for the GC8OA is labeled "Rental Resort Fee". Historically, the developer has collected a 5.0% Rental Resort Fee. As of 9/5/18, this fee has increased to 7.5%, of which 2.5% is now revenue for the GC8OA. For 2019, this revenue is budgeted to be approx. \$31K. In addition, the proposed FY2019 budget includes approximately \$6K in new revenue from the year-round ski locker annual fee.
 2. As for new expense in 2019, the proposed budget includes full payment by the GC8OA for its share of BGV's Sustainability Department expenses, which is about \$12K.
- In addition to these new expenses and revenue line items, the increase to the dues for 2019 is also the result of increases to vendor pricing, service and supply pricing, and wage/benefit increases which will result in an overall increase to the GC8OA dues of 10.9%.

Dues Comparison

- Current Annual 2018 Dues: *\$1,707.40* (per week in a 2-bedroom Breckenridge Master)
- Proposed Annual 2019 Dues: *\$1,893.93* (per week in a 2-bedroom Breckenridge Master)
- Total increase to the 2-bedroom Breckenridge Master annual dues from 2018 to 2019: *\$186.53* (10.9%)
- Current Annual 2018 Dues: *\$1,963.51* (per week in a 2-bedroom Colorado Master)
- Proposed Annual 2019 Dues: *\$2,178.02* (per week in a 2-bedroom Colorado Master)
- Total increase to the 2-bedroom Colorado Master annual dues from 2018 to 2019: *\$214.51* (10.9%)

New and Noteworthy

- Revenue – Ski Locker Income – (\$6,250) New line item to book revenue from the year-round ski locker annual fee.
- Revenue - Exchange Resort Fee Income – BGV has proposed a new “Exchange Guest Resort Fee” to Interval International to help create additional revenue for GC8OA. We are awaiting Interval’s response to our proposal at this time. Thus, no additional revenue is budgeted for 2019.
- Revenue - Rental Resort Fee Income (5066.00) - (\$31,157) New line item to book additional revenue for the GC8OA from the 2.5% rental resort fee increase.
- Expense – Sustainability (\$12,216) New line item in 2019 that reflects all related expenses now passing through to GC8OA. As a result, Recycling (7065.00) will reflect a decrease in the 2019 budget due to separating Sustainability.
- Expense - Future Truck Replacement – This new line item is in order to save for a new truck purchase but nothing to budget in 2019.
- Expense – Future Sweeper Replacement – This new line item is in order to save for a new garage sweeper but nothing to budget in 2019.
- Expense – Future Compactor Replacement – This new line item is in order to save for a new compactor but nothing to budget in 2019.

Proposed 2019 Budget Increases from 2018 Approved Budget

- Revenue – Developer Stop Gap – (5018.00) increased (\$35,000) in order to abate the Stables Lot rent in 2019.
- Revenue – Late Fee Income – (5040.00) increased 32% (\$11,453) based on the 2018 forecast.
- Revenue – Misc. Income – (5070.00) increased 3,501% (\$59,509) based on the 2018 forecast, plus commercial dues income.
- Expense – Water and Sanitation – (7040.00) increased 29% (\$25,250) due to Phase 3 units being open for all 12 months of 2019, plus a 5% increase per the Town of Breckenridge.
- Expense – Elevator Maintenance – (7055.00) increased 64% (\$18,345) due to adding the Phase 3 elevators.
- Expense -The Management Fee (7120.00), increased 16% (\$24,474), which is being calculated at 2.5% of the total budget for FY2019.
- Expense – Rez Fee – (7149.00) increased 45% (\$102,241) based on GC8OA’s share the 2019 Owner Relations budget.
- Expense – Insurance – (7190.00) increased 35% (\$29,361) due to the addition of Phase 3.
- Expense – Property Tax – (7240.00) increased 20% (\$98,091) due to anticipated re-evaluation.
- Expense – Common Area Cleans – (7360.00) increased 37% (\$196,337) due to the costs associated with adding Phase 3 and Phase 4 staff.
- Expense – Bad Debt (7390.00) increased 112% (\$19,899) based on the 2018 forecast.
- Expense – Collection Expense – (7400.00) increased 210% (\$10,510) based on the 2018 forecast, less the expense incurred in 2018 from sending the accounts to collections one month early.
- Expense – Engineering – (7446.00) increased 24% (\$155,961) due to the costs associated with adding Phase 3 and Phase 4 staff.
- Expense – Common Reserve Fund Assessment (8110.00) – increased 10% (\$48,659) in order to adequately fund the reserve study.

Proposed 2019 Budget Decreases from 2018 Approved Budget

- Revenue – Owner Assm Inc Disc – (5011.00) decreased 20% (\$41,320) due to decreasing the cash discount from 4% to 3%.
- Revenue – Developer Contribution decreased 59% (\$185,281) to cover the Phase 4 staff in 2019.
- Expense – Trash Removal – (7060.00) – decreased 45% (\$13,602) based on 2018 actuals and the elimination of a trash compactor lease.
- Expense – Recycling – (7065.00) – decreased 52% (\$15,406) due to separating Sustainability from this line item.
- Expense – P8 Ops (dept 56) – decreased 55% (\$153,345) as this is a pass through from Department 56 and the GM and AGM wages, payroll taxes and benefits have been re-allocated across all departments.
- Expense – Keys/Postage/Printing (7260.00) decreased 32% (\$16,886) due to smaller key purchase.
- Expenses – Unit Gas (7431.00) decreased 11% (\$19,661) based on 2018 actuals and improved efficiencies to the facility.
- Expense – Fund Deficit Reduction decreased 100% (\$100,000) as there is no deficit to budget for in FY2019.

Please note that all other budget line items not listed above are remaining relatively flat, as defined by a less than \$10,000 and 10% variance, which is the same threshold used for the monthly financial missives.

Nick made the motion to approve the proposed GC8OA 2019 budget and Barry seconded.

Discussion:

- *GC8OA/BGV Long Term Budget Plan*
 - *Objective:*
 - *Working in partnership and gradually over time, the GC8OA and BGV will ensure that the GC8OA is paying for all resort operational expenses. To offset the impact to the HOA dues, new revenue is being generated for the GC8OA.*
 - *Long Term Goals:*
 - *GC8OA to pay for all resort operational expenses*
 - *GC8OA to receive all resort fee revenue once developer contribution is eliminated*
 - *First Steps in FY2019:*
 - *Introduce Additional Sustainability Expenses*
 - *The proposed FY2019 budget includes full payment by the GC8OA for its share of the Sustainability Department expenses, which is about a \$11K increase from the FY2018 Sustainability expenses.*
 - *Introduce Additional Revenue*
 - *The proposed FY2019 budget includes approximately \$37K in new revenue. Historically, the developer has collected a 5% Rental Resort Fee. As of 9/5/18, this fee has increased to 7.5%, of which 2.5% is now revenue for the GC8OA (\$31K). In addition, the proposed*

FY2019 budget includes approximately \$6K in new revenue from the year-round ski locker annual fee.

- Future Opportunities:
 - *BGV to adjust budget development timing to ensure accurate total developer contribution amount for GC80A FY2020 budget*
 - *This will result in additional expenses being passed through to the GC80A, such as an Accounts Receivable Fee or Employee Housing Subsidy*
- *Additional Rental Resort Fee Revenue*
 - *Once GC80A eliminates their developer contribution, they will begin to receive all Rental Resort Fee revenue (total of 7.5%)*
- *Possible New Exchange Reservation Resort Fee*
 - *Proposed Exchange Reservation Resort Fee of \$10/night per bedroom at Grand Colorado on Peak 8 currently under review by Interval International*
- *Other revenue ideas welcome!*
- *Phase 3 was only open for 9 months out of the year and missed the first 3 which are the busiest months*
- *Per the governance policy the 30-year percentage needs to be 2% for the reserves and 100% funded for the current year*
- *Always be sensitive to cost and dues increases*
- *For the letter that goes out to all owners from Barry make sure it includes the increases and what are uncontrollable expenses*
- *If you put your week up for rent with BGV, the management company gets 40% to cover outside fees with third party vendors, CC fees, if there are multiple stays the clean fees for multiple nights, and 60% goes to the owner. If you want to rent on your own, BGV can give out the BOLT (short term rental license) license for AirBNB or VRBO*
- *The rental rez fee could potentially go down when online reservations are available to owners. There may be a slight increase with the new system to learn the new system*
- *The new property tax evaluations come out in June and Tracey has reached out to the county assessor several times and they are anticipating a 25% increase. BGV always tried to appeal if that amount is too high. BGV has been working with someone local for a low-cost amount and BGV needs to take the time to analyze how much they have decreased with their work. Blake our CFO is working on this. The units are assessed as whole ownerships but are divided between 89 owners for annual and bi-annual owners and is based on comps the last two years which are One Ski Hill Place and Crystal Peak*

Action Item - BGV to shop companies to appeal the property taxes and appeal the property tax increase when it comes out in June

All in favor, motion passed.

BONUS TIME RATES

Rate Increase to the Grand Colorado on Peak 8 Bonus Time Program

In an effort to continue to align Bonus Time rates with operating costs, Breckenridge Grand Vacations (BGV) intends to implement a rate increase to the current Grand Colorado on Peak 8 Bonus Time rates for some room sizes and seasons.

Current rates are listed below, in addition to the highlighted increased rates.

Current Bonus Time Rates:

GC8 Bonus Time				
Spring/Summer/Fall			Winter	
	Weekday	Weekend	Weekday	Weekend
Suite	\$69	\$89	\$89	\$139
One Bed Breck	\$89	\$119	\$119	\$179
One Bed Colo	\$109	\$139	\$139	\$199
Two Bed Breck	\$129	\$169	\$169	\$259
Two Bed Colo	\$149	\$189	\$189	\$279

Bonus Time Rate Increase:

GC8 Bonus Time				
Spring/Summer/Fall			Winter	
	Weekday	Weekend	Weekday	Weekend
Suite	\$89	\$109	\$109	\$139
One Bed Breck	\$109	\$129	\$129	\$179
One Bed Colo	\$119	\$139	\$139	\$199
Two Bed Breck	\$139	\$169	\$169	\$259
Two Bed Colo	\$169	\$189	\$189	\$279

Bonus Time remains a part of the Grand Colorado on Peak 8 Club program and BGV is committed to maintaining Club benefits for our Grand Colorado on Peak 8 owners who belong to the Club. BGV will educate owners about this rate change through a variety of communication channels.

Discussion:

- BGV will reevaluate the cost every couple of years and increase the price if needed to cover the expenses.
- Increasing the price of bonus time exponentially to increase revenue will overtake the value of ownership at some point and this is an added perk of being an owner.

EXCHANGE COMPANY CONTRACT INPUT

In preparation for the Interval International contract expiration on December 5, 2020, we want to provide ample time for the Board and Advisory Committee to submit to BGV any ideas, questions and/or suggestions for consideration and exploration.

COMMENTS TO/FROM THE STAFF

None at this time.

NPS REPORTS

GNPS is currently at 71%, with 78% being promoters.
GONPS is currently at 74%, with 80% being promoters.

TRIP ADVISOR

Grand Colorado on Peak 8 is currently ranked #14 of 23 hotels in Breckenridge.

ACTION ITEM REVIEW

#7- Change fitness center door hours to reflect 5am-10pm. Jason has changed the signage to reflect the operational hours of the fitness center to show 5am-10pm. **Recommend to close. CLOSED 11/1/18**

#8 – Research options for pet signage around property. This information was shared in the July 2018 missive that the signs for the temporary pet usage location are now posted for use until the permanent pet park is established. **Recommend to close. CLOSED 11/1/18**

#9 – Increase staff patrolling for dog areas and feces. GC8 staff has been increasing patrol for this issue. Additionally, the resolution of Action Item #8 has helped resolve this issue. **Recommend to close. CLOSED 11/1/18**

#10 – Add to the coffee table book that any unopened food will be appreciated by Housekeeping staff. We currently direct owners and guests to leave food in their unit, if they wish, for staff. If more information is needed, we will address at that time. **Recommend to close. CLOSED 11/1/18**

Board Suggested Action Items:

- Think about how to tip housekeeping - standard if guests were to ask the front desk
- Monitor for people who are not owners or guests at GC8 coming into the grill area from above condos/houses

IMPORTANT DATES

May 18, 2019 – Board and Annual Meetings at Mountain Thunder Lodge

Interval International Renewal – 12/5/2020.

Resale Agreement –in effect 1/1/2018 - renews annually.

Management Agreement – Initial term 8/1/2015 expiring 12/31/2024 – auto renews with 5-year terms.

ADJOURNMENT

Motion to adjourn the meeting was made by Nick Doran at 7:05PM and seconded by Barry.