

**GRAND LODGE ON PEAK 7 OWNER'S ASSOCIATION
BOARD OF DIRECTORS AND ADVISORY COMMITTEE MEETING
MEETING MINUTES 10/25/18**

ATTENDANCE

Board Present: Linda Cole, Mike Hedensten, Nick Doran

Advisory Committee Present: Stan Katz, Roger Lemmon, Steve Gunther, Jamie Keiffer, Michael Freemier, Todd Allard

Members Absent: Stuart Smith, Mike Dudick, Guy Morissette

Management Present: Kimberly Tramontana, Joanni Linton, Nick Borovich, Tracey Beverlin, Joe Clark Fulcher, Peggy Helfrich, Christine Britton

CALL TO ORDER

Linda Cole, President of the Grand Lodge on Peak 7 Owners Association, called the meeting to order at 5:10PM.

CHANGES TO THE AGENDA

There were no changes to the agenda.

APPROVAL OF MEETING MINUTES

Mike H. made the motion to approve the meeting minutes from June 2, 2018 and Nick seconded the motion.

No discussion.

All in favor, motion passed.

UNAUDITED FINANCIALS

GL7OA AUGUST 2018

Please find a summary for the GL7OA August 2018 financials.

- Overall, the Operating Budget is experiencing a favorable variance of \$67,694 YTD!
- Operating revenue shows a favorable variance of \$25,949 YTD!
- We are happy to share that the Operating expense shows a favorable variance of \$41,745 YTD!

Some variances to note:

- Recycling / Compost shows a favorable variance of \$11,410 due to having less contamination, which translates to cost savings.
- Credit Card Processing Fees shows an unfavorable variance of \$17,577 due to more CC payments taken than anticipated.
- Common Area Cleans expense shows a favorable variance of \$134,993 as there is more income than budgeted.
- Collection Expense shows an unfavorable variance of \$66,360 as accounts were moved to collections sooner than in previous years.

- BMMA dues show an unfavorable variance of \$11,630 as \$20,636 is to be reclassified to owners in September, as this was the developer-owed portion.

Nick made the motion to accept the GL7OA August 2018 Unaudited financials and Mike H seconded.

Discussion:

- *The final payment for the AC loan is in FY2020.*

All in favor, motion passed.

AR REPORT

- GL7OA delinquency (90+ days past due or more) is at 3.7% compared to industry average of 17% for a similarly aged portfolio.
- 6 deeds recovered, 100% gained due to deed recovery efforts by BGVARM at no cost to GL7OA.
- \$2,145.13 = gained through buyout negotiations
- Sheriff's foreclosure: 4 ownerships averaging four years past due with \$13,837.59 in bad debt, have been completed
- The cleanup of severely delinquent accounts is ongoing and aligned with budgetary allowances

Discussion:

- *BGV believes that people not wanting to pay their HOA dues has more to do with usage than something specific about the resort.*
- *ARM is sending out email blasts to try to get those HOA dues collected.*
- *Owners who have not paid are unable to use the resort and there are interest fees and late charges associated with their late dues.*
- *Owners can be on a payment plans if needed.*

GENERAL MANAGER REPORT

October 2018

Awards and Achievements: Breckenridge Grand Vacations, the parent company of Grand Lodge on Peak 7, was honored with the following two awards:

- Breckenridge Grand Vacations has been recognized with the Denver Post's 2018 Top Company Award among Colorado's large companies. The winners are chosen based on employee feedback gathered through a third-party survey, sent by Energage, LLC (formerly Workplace Dynamics) in partnership with the Denver Post.
- Breckenridge Grand Vacations has received Colorado Biz Magazine's award for #1 Top Company in the Travel and Hospitality category. In its 31st year, this recognition is given to the very best statewide companies, in 14 industries.

Improvements and Updates: We continue to improve the appearance of the property by replacing worn and aged items throughout the resort.

- The sofa sleepers in the north building units have been replaced with newer models that are user friendly and more comfortable than the previous versions.
- The carpet has been replaced in multiple hallways throughout the resort.

- The parking garages have been restriped.

Operation Enhancements: Our leadership team uses feedback from our owners and guests to improve vacation experiences.

- The BMMA shuttle improvements:
 - Day Use owners will enjoy full service when the gondola is not in operation. When the gondola is operating, Day Use owners are not allowed to use the shuttle. Previously, owners utilizing Day Use could only be picked up and dropped off at the Breckenridge Transfer Station.
 - Shuttle stops will be limited to the east side of Main Street. This change allows for the shuttles to operate more efficiently, decreasing the wait time for pickups.
- To further ease the check-in process, owners and guests will no longer have to fill out a registration form upon arrival. Pre-registrations is still encouraged to streamline the process.
- To give owners on the Day Use Waitlist sufficient time to plan when Day Use becomes available, the rules have been updated to require owners to cancel Day Use reservations by 7 pm the evening prior to their reservation. Owners who fail to do this will be subject to a 14-day suspension of this benefit.
- The Concierge Team will be the primary contact for booking offsite excursions. This will allow our Activities Team to offer improved on property activities.

Owner Relations Updates: Reservations and exchange programs continue to be robust for our owners.

- 2,610 Bonus Time reservations have been reserved by owners between 1/1/2018-9/30/2018. This is an increase of 370 reservations over the same period in 2017.
- \$2,302,296 in commissionable rentals (excludes Bonus Time stays) have been booked through 9/30/2018. This is \$30,000 more than the same period in 2017 and shows continued demand for rental stays at the Grand Lodge on Peak 7.
- The Interval International Support team has helped confirm over 825 exchange confirmations for Grand Lodge on Peak 7 owners' year to date.

System Upgrades: Grand Lodge on Peak 7 is committed to keeping mechanical systems operating efficiently while minimizing energy use. Listed below are recent examples of this initiative.

- Air conditioning condensers for the common areas in the south building have been replaced with more energy efficient models.
- A heat exchanger has been added to the south building hot water system. This heat exchanger provides much needed redundancy.
- Salt chlorinators for the aquatics center have been replaced with more efficient units. These units decrease the supplies needed to maintain the pools, saving money for the HOA.
- The energy recovery unit (ERU) for the grotto has been upgraded to improve the air quality in this area. Like our other system upgrades, this improves efficiency and requires less energy.
- An air curtain has been added at the grand entrance to help mitigate the cold air that comes in during the winter. This will decrease the energy used to heat this area by offsetting cooler temperatures.

Discussion:

- *The replacement of the ERU will hopefully help with the chemical smell and humidity in the grotto. The water fountain in the grotto will not be replaced.*

ONLINE RESERVATIONS

Breckenridge Grand Vacations (BGV) is excited to share that we are making great strides in our efforts 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 Tuesday that is 365 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 Lodge on Peak 7 Owners Association, INC. Rules and Regulations.

Thank you for reviewing this information and as always, please let us know if you have any questions!

Current:

THE GRAND LODGE ON PEAK 7 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 is entitled to reserve a Floating Vacation Week in his/her designated season in a comparable Vacation Unit to the Unit purchased (as set forth in his/her Deed) by notifying the Managing Agent. Notification may be by regular mail, email, or phone. Requests may be made no more than the first Tuesday that is three hundred sixty-five (365) days or less in advance of the check-in date. Reservation requests received in advance of first Tuesday that is three hundred sixty-five (365) days or less in advance of the check-in date will be rejected.
- b. All reservations 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:

THE GRAND LODGE ON PEAK 7 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 is entitled to reserve a Floating Vacation Week in his/her 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, by regular mail, email, or by phone. Requests submitted via email will be handled after online and phone requests have been handled.* Requests may be made no more than the first Tuesday that is three hundred sixty-five (365) days or less in advance of the check-in date. Reservation requests received in advance of first Tuesday that is three hundred sixty-five (365) days or less in advance of the check-in date will be rejected.

b. All reservations 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.~~

Mike H made the motion to approve the change to the GL7OA rules and regulations regarding accepting online reservations and Nick seconded the motion.

Discussion:

- *Reservations will be on a first-come, first-served basis for future reservations. Reservations would be unable to be made before 9am MT.*
- *This could be available sometime in 2019 but will need to do some beta testing beforehand.*
- *Ensure owners are made aware of the changes to the reservation system well in advance and possibly add open/read receipts to email blasts.*
- *Gold Point has all fixed week owners so they aren't booking weeks and Grand Timber Lodge uses a different system by choosing their weeks via BiGVARS.*

All in favor, motion passed.

PROPOSED 2019 BUDGET

General Summary

- Total Proposed 2019 Fiscal Year GL7OA Budget: \$9,585,997 (an increase of \$562,312, or 6.23%)
- Based on the forecast for the remainder of 2018, we are pleased to share that GL7OA is expected to have an operating fund favorable variance of approximately \$5,700 compared to budget. Please note that the \$50,000 operating fund surplus carry over from 2017 is included in this calculation and will be reflected in the audited financials as a fund deficit, which is expected as part of the board-approved 2018 budget and is offset by retained earnings. After this offset, we estimate the remaining retained earnings to be approximately \$172,578.
- As you know, the GL7OA 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 GL7OA 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:

- The new revenue for the GL7OA 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 GL7OA. For 2019, this revenue is budgeted to be approx. \$80K.
- As for new expense in 2019, the proposed budget includes full payment by the GL7OA for its share of BGV’s Sustainability Department expenses, which is about \$18K. Additionally, the GM and AGM salary, payroll taxes and benefits have been proportionally allocated based on the amount of time spent in both the Housekeeping, (approx. \$52K) and Engineering departments (approx. \$45K) Also, in 2019, the GL7OA will also start to pay for the full share of the Activities Department expenses, which is approximately \$82K.
- 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 GL7OA dues of 7.25%.

Dues Comparison

- Current Annual 2018 Dues: *\$1,463.08* (per week in a 2-bedroom lock off)
- Proposed Annual 2019 Dues: *\$1,569.12* (per week in a 2-bedroom lock off)
- Total increase to the annual dues from 2018 to 2019: *\$106.04* (approx. 7.25%)

New and Noteworthy

- Revenue - Exchange Resort Fee Income – BGV has proposed a new “Exchange Guest Resort Fee” to Interval International to help create additional revenue for GL7OA. 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) - (\$79,839) Additional revenue for the GL7OA from the 2.5% rental resort fee increase.
- Expense – Activities Fee (7142.00) - (\$82,521) 2019 is the first year where the cost of the Activities Department is passing through to the GL7OA.
- Expense - Future Truck Replacement (7500.00) – (\$13,440) This line item is to save for a new truck purchase.
- Expense – Future Compactor Replacement (7503.00) – (\$4,800) This line item is to save for a new compactor.
- Expense – Future Scrubber Replacement (7501.00) – (\$13,080) This line item is to save for a new garage scrubber.
- Expense - Future Skidsteer Replacement – (\$18,000) This line item is to save for a new skidsteer.

Proposed 2019 Budget Increases from 2018 Approved Budget

- Expense – Common Area Amenities – (7030.00) increased 48% (\$54,111) due to added labor cost for maintaining amenities.

- Expense -The Management Fee (7120.00), Accounting Fee (7130.00), HR Fee (7145.00), the Front Desk/Reservations Fee (7140.00) and IT Fee (7144.00) increased by the full 5% (combined total of \$75,902) allowed per the Management Agreement in order to continue to dissolve the existing developer contribution, which is forecasted to be at least \$404K in 2019, excluding any administrative costs not yet calculated at the time of this meeting.
- Expense – Credit Card Fees (7220.00) increased 33% (\$17,753) based on an increase in owners paying with a credit card and the increase to the dues. The credit card processing fee has also been decreased from 4% to 3%.
- Expense – Bad Debt (7390.00) increased 30% (\$19,913) based on a 3-year average.
- Expense – Housekeeping Cleaning (7440.00) increased 12% (\$184,297) due to increased labor and benefit costs.
- Expense – Common Reserve Fund Assessment (8110.00) – increased 10% (\$64,553) to fund future property improvements.

Proposed 2019 Budget Decreases from 2018 Approved Budget

- Revenue – Owner Assm. Inc Disc – (5011.00) decreased 30% (\$91,120) due to decreasing the cash discount from 4% to 3%.
- Expense – Keys/Postage/Printing (7260.00) decreased 30% (\$17,200) due to smaller key purchase.
- Expenses – Unit Gas (7431.00) decreased 11% (\$19,661) based on 2018 actuals and improved efficiencies for the facility.
- Expense – Fund Deficit Reduction decreased 100% (\$50,000) 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.

Mike H made the motion to approve the 2019 proposed GL7OA budget and Nick seconded.

Discussion:

- *GL7OA/BGV Long Term Budget Plan*
 - *Objective: Working in partnership gradually over time, GL7OA and BGV will ensure that the GL7OA is paying for all resort operational expenses in addition to a fair market management fee. To offset the impact to the HOA dues, new revenue is being generated for the GL7OA.*
- *Long Term Goals:*
 - *GL7OA to pay for all resort operational expenses*
 - *GL7OA to receive all resort fee revenue once developer contribution is eliminated*
 - *BGV to collect a fair market management fee*
 - *Management Agreement to be updated to reflect above changes*
- *First Steps in FY2019:*
 - *Introduce Additional Expenses*
 - *The proposed FY2019 budget includes full payment by the GL7OA for its share of the Sustainability Department expenses,*

which is about a \$17K increase from the FY2018 Sustainability expenses.

- The proposed FY2019 budget includes a percentage of GM and AGM hours spent supporting the Housekeeping and Engineering departments. The additional labor and benefit cost is approximately \$97K.
- The proposed FY2019 budget includes full payment by the GL7OA for the cost to operate the Activities Department, which is approximately \$82K.
- Introduce Additional Revenue
 - The proposed FY2019 budget includes approximately \$80K 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 GL7OA.
- Future Opportunities
 - BGV to adjust budget development timing to ensure accurate total developer contribution amount for GL7OA FY2020 budget
 - This will result in additional expenses being passed through to the GL7OA, such as an Accounts Receivable Fee or Employee Housing Subsidy
 - Additional Rental Resort Fee Revenue
 - Once GL7OA 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 Timber Lodge currently under review by Interval International
 - Other revenue ideas welcome!
 - Earmark upcoming loan payoff:
 - GL7OA air conditioning loan will be paid off by the end of 2020
 - As a result, the GL7OA could direct approximately \$200K starting in FY2021 to help eliminate any remaining developer contribution and/or pay for the increased management fee
- Sustainability savings are very hard to quantify due to weather, usage, etc.
- Department 49 is Activities and department 52 is Operations when referring to the budget notes.
- The activities department does around 20% free and 80% pay activities on property.
- GL7 is considered an Elite property by II so there is the need for all the amenities.
- Common area cleaning has income from Sevens restaurant cleaning.
- Summit County Assessor has advised 25% increase but BGV is taking a risk with only doing 20% because BGV always contests the evaluation.
- Insurance company recommends a percentage and it can come in higher or lower but this increase is due to construction costs being on the rise. BGV set the property value

with the insurance company and wants to make sure we are adequately covered if there was a significant loss.

- *Water and sanitation are increasing due to more water use from draining the pools from accidents, etc.*
- *The budget needs to be finalized by November 1st due to the bi-laws.*
- *Wavelength is our interactive TV channel guide and Resort Internet is for specific channels not offered by Comcast. DIRECTV provides the channel options in common areas where Comcast provides the channels in the units. Global Gossip is guest Wi-Fi and Century Link is the infrastructure for the Wi-Fi.*
- *Once fiber optic is in place, the option to bundle should be available.*
- *Unit Electric is increasing due to a vendor increase from Xcel Energy.*
- *The carpet replacement in the units for the south building have been moved up to 2019 due to comments received in the post stay surveys.*
- *The board suggested to move \$45k from the retained earnings to offset the dues.*

Action item - Emily to provide a report on average saving with Sustainability efforts, possibly industry average

Action Item - break out the housekeeping line items in the HOA budget by showing a separate revenue line item and additional revenue line items for any expense in excess of \$100k.

*Action Item: Ensure that the board and AC have the ability to see detailed “pass-through” budget information including revenue and expenses for amounts greater than \$100K, such as Housekeeping and Engineering.

Upon further discussion, and to avoid confusion and potential errors, we do not recommend changing the actual HOA operating budget revenue section as discussed at the 10-25-18 meeting. Instead, we will provide the actual department budgets, which will give the board and AC even greater ability to see the revenue and expense detail of these significant pass-through departments.

All in favor, motion passed with the change to move \$45k from retaining earnings into the operating fund to decrease the dues to 6.72%.

BONUS TIME RATES

Rate Increase to the Grand Lodge on Peak 7 Bonus Time Program

Bonus Time rates have not been increased since the property opened in 2009. Since that time, operating costs have increased, while Bonus Time rates have remained unchanged.

As a result, Breckenridge Grand Vacations (BGV) intends to implement a rate increase to the current Grand Lodge on Peak 7 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:

GL7 Bonus Time				
	Spring/Summer/Fall		Winter	
	Weekday	Weekend	Weekday	Weekend
Suite	\$59	\$79	\$79	\$119
One Bedroom	\$79	\$99	\$99	\$149
Two Bedroom	\$109	\$139	\$139	\$209

Bonus Time Rate Increase:

GL7 Bonus Time				
	Spring/Summer/Fall		Winter	
	Weekday	Weekend	Weekday	Weekend
Suite	\$79	\$99	\$99	\$119
One Bedroom	\$99	\$119	\$119	\$149
Two Bedroom	\$129	\$139	\$139	\$209

Bonus Time remains a part of the Grand Lodge on Peak 7 Club program and BGV is committed to maintaining Club benefits for our Grand Lodge on Peak 7 owners who belong to the Club.

BGV will educate owners about this rate change through a variety of communication channels.

Action Item - Reevaluate bonus time rates every 2 years

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.

Action item - Send II owners who trade their weeks frequently a survey for feedback

COMMENTS TO/FROM THE STAFF

None at this time.

NPS REPORTS

GNPS is at 71%, with 78% being promoters.

GONPS is currently at 72%, with 79% being promoters.

TRIP ADVISOR

Grand Lodge on Peak 7 is currently ranked #3 of 23 Hotels in Breckenridge.

Action item - Redo the markings on the grills and research a windbreak for the grills in between the north and south buildings

GL70A SNAPSHOT

- Remained consistently in the Top 10 on Trip Advisor, currently at #3 of 23 properties under "Hotel" category and have 4.5 out of 5 stars!

- Improved several owners and guest service scores YOY:

GL7 Service Score Comparison	Last Year's Avg 10/1/2016- 9/30/2017	This Year's Avg 10/1/2017-9/30/2018
Front Desk	9.33	9.32
Room Engineering	9.01	8.98
Housekeeping- Room Cleanliness	9.42	9.39
Housekeeping- Staff	9.09	9.09
Activities	9.03	9.08
Amenities	9.36	9.45
Soothe Spa	8.98	9.14
Sevens	7.56	7.60
Shuttle	9.44	9.17
Overall accommodations	9.01	9.05
GNPS	68.22	70.32
GONPS	69.37	70.16

- Property improvements in 2018:
 - The south building air conditioning condensers for common areas have been upgraded to more energy efficient models.
 - An air curtain has been added to the Grand Entrance to keep this area warmer in the winter months.
 - Salt chlorinators were replaced to improve the quality of the pools and hot tubs.
 - The grotto's energy recovery unit was upgraded to improve the air quality in this area.
 - New hallway carpet was installed in the following areas:
 - Ground floors of the north and south buildings
 - South building second, fourth and fifth floors
 - Fitness Center
 - North building second and fourth floors
 - Soothe Spa received several upgrades. These include:
 - New treatment room flooring
 - New art work and light fixtures
 - New pedicure chairs and one additional station
 - Fresh paint throughout the spa
 - Retail boutique selling Colorado products
 - North building new sofa sleepers have been provided.
 - South building domestic hot water system now has redundancy.
 - North building living room lamps have been replaced.
 - Parking garages have been restriped.
- Reserve studies % funded based on actual cash balances as of 1/1/19 for 30-year forecast:
 - GL7 unit – 7.0%
 - GL7 common – 4.9%
- % of dues allocated to reserves in 2019 for a 2 bedroom:
 - 18.0%

- HOA dues comparison for 2019:
 - Grand Lodge on Peak 7 is \$1,556.83 for a 2 bedroom
 - Add other resorts to compare to:

Grand Lodge on Peak 7 (proposed)	Breckenridge	2 Bedroom	\$1,556
Grand Timber Lodge (proposed)	Breckenridge	2 Bedroom	\$1,180
Grand Colorado on Peak 8 (proposed)	Breckenridge	2 Bedroom CO	\$2,165
Grand Colorado on Peak 8 (proposed)	Breckenridge	2 Bedroom Breck	\$1,883
Marriott Mountain Valley Lodge	Breckenridge	1 Bedroom	\$1,600
Hyatt Main Street Station	Breckenridge	2 Bedroom	\$1,288
Valdoro Mountain Lodge	Breckenridge	2 Bedroom	\$1,948
The Ranahan by Welk (540,000 points)	Breckenridge	2 Bedroom	\$2,361
Marriott Streamside – Evergreen (from 2018)	Vail	2 Bedroom	\$1,500
Sheraton Mountain Vista (from 2018)	Avon	2 Bedroom	\$1,400
Vail Run Resort (from 2018)	Vail	2 Bedroom	\$2,100

- Increase to dues comparison:
 - 2013 – 2019 GTL annualized dues increase – 7.2%
 - 2013 – 2019 GL7 annualized dues increase – 5.5%
- Budget to Actual variance comparison:
 - 2013 Budget \$6,212,658
 - 2013 End of Year Op Fund Excess \$205,927 – 3.3% of the total budget
 - 2014 Budget \$7,106,986
 - 2014 End of Year Op Fund Deficit of \$115,073 – 1.6% of the total budget
 - 2015 Budget \$7,727,088
 - 2015 End of Year Op Fund Excess \$222,001 – 2.9% of the total budget
 - 2016 Budget \$8,036,665
 - 2016 End of Year Op Fund Excess \$57,277 - .7% of the total budget
 - 2017 Budget \$8,644,223
 - 2017 End of Year Op Fund Excess \$159,567 – 1.8% of the total budget
 - Five year average budget to actual variance is just 2.1%
- GL7OA AR as of 9/30/18:
 - 97.3% of all dues owing for the 2018 Annual Billing have been paid.
 - 99% of all dues owing for 2015-18 Annual Billings have been paid.
- Delinquency as of 9/30/18:
 - GL7OA delinquency (90+ days past due or more) is at 3.7% compared to the industry average of 17% for similarly aged portfolios
- Deed Recovery & Foreclosure information as of 3/30/18:
 - 6 Deeds recovered 100% gained due to deed recovery efforts by BGVARM at no cost to GL7OA
 - \$2,145.13=gained through buyout negotiations

- Sheriff's foreclosure: 4 Ownerships averaging 4 years past due with \$13,837.59 in bad debt, have been completed.

IMPORTANT DATES

June 1, 2019 – Board and Annual Meeting

Contract / Agreement Dates:

Management Agreement:

- Initial term from 1/1/2010 – 12/31/2019
- Auto renews for successive periods of 3 years.

Interval International Agreement:

- 12/5/2020

Resale Agreement:

- 1/1/2018
- Renews annually

Reserve Study Update:

- 2020

ACTION ITEM LIST

#63 – Add the reasons for delinquency to the AR reports. This is now added to the AR report.

Recommend to close. CLOSED 10/25/18

#64 – Create analysis of the effects on amenities, cost to dues, how many days there is a waitlist for day use if a parking deck was created on the surface lot to create additional parking for day use or purchasing the lower lot of the Stables Deck. The lower level of the Stables Lot is not owned by BGV, therefore the GL70A is unable to purchase this space. Adding a second level to the north building exterior parking lot is not recommended due to eliminating unit mountain and town views that would be blocked by a parking structure. Increasing the number of available Day Use parking spots could also create overcrowding of amenities. This would also require increased maintenance and labor costs to manage the additional traffic and negatively affect the owner and guest experience. **Recommend to close. CLOSED 10/25/18**

#65 - Peggy to schedule a Nominating Committee debrief for suggestions/comments on the process. Peggy reviewed the suggestions that were mentioned by Jamie, Steve and Linda at the Board meeting on 6/2/18 with Linda via email and those suggestions will be implemented moving forward. This includes: limiting application to 1-2 pages, obtain a little more personal background, have a phone interview with top candidates, and notify incumbents of their status prior to the Board meeting.

Recommend to close. CLOSED 10/25/18

#66 – Create an owner campaign for increase in HOA dues due to employment/housing costs. Links to articles in the Summit Daily News regarding housing issues were shared in the past newsletters and will continue to be added when there is relevant information to share. **Recommend to close. CLOSED 10/25/18**

#67 – Investigate having a golf cart for owners to access to support moving around the resort. Our research shows that the cost of one four-person electric golf cart is \$4.5K and the annual maintenance and minimal labor required would be approximately \$10K. The liability insurance per cart would be approximately \$3k per year. We do not believe this addition is financially responsible given the minimal request. We do have wheelchairs available for any guests that would like assistance navigating the resort as well as staff to assist with luggage, etc. **Recommend to close. CLOSED 10/25/18**

The meeting was adjourned at 7:50pm by Linda Cole, based on motions from Nick and Mike H.