

BC Hotel A Residences Owners Association, Inc.

Board of Directors Meeting

February 23, 2024

A regular meeting of BC Hotel A Residences Owners Association, Inc., Board of Directors was held on February 23, 2024, at Residences at Park Hyatt Beaver Creek, 136 East Thomas Place, Avon Colorado, 81620 and via Microsoft Teams.

Present from the Board of Directors were: Eric Swartz, President; Jonathan Burke, Vice President; Sean Buchholtz, Secretary and Treasurer; Kristen Padberg, Director; and Tammy Conner, Director

Present from the Management Company were: Samantha Barry, Director of Operations; Jami Champagne, Market Vice President, Resort Operations; Magdalena Nopper, Sr. Manager, Regional Operations; Jonathan Barket, Regional Director, Finance; Mio Kim, Manager, Financial Analysis; Jerry Parsey, Assistant Vice President, Architecture and Design; John Torchiana, Assistant Vice President, Architecture and Construction; Todd Lebow, Director, Architecture and Construction; Zafera Aaron, Association Manager, Association Management; Brandon Elliott, Associate Director, Association Management and Lisa Bythwood, Board Relations Specialist, Association Management.

Guest present was: Genae Affrunti, Financial Advisor, Senior. V.P., Investment Services, Comerica Financial Advisors

CALL TO ORDER

Eric Swartz, President, called the meeting to order at 10:04 a.m. Mountain time.

APPOINTMENT OF CHAIRPERSON

A motion was made by Eric Swartz to appoint himself as meeting chairperson. The motion was seconded by Sean Buchholtz and unanimously carried.

ESTABLISHMENT OF QUORUM

Mr. Swartz announced with all Board Members present, quorum was met.

APPOINTMENT OF RECORDING SECRETARY

Mr. Swartz appointed Lisa Bythwood to serve as Recording Secretary.

PROOF OF NOTICE OF BOARD OF DIRECTORS MEETING

Notice of the Board Meeting was emailed to all Board Members on December 15, 2023, as required by the Association documents.

APPROVAL OF AGENDA

A motion was made by Jonathan Burke to approve the Agenda as presented. The motion was seconded by Sean Buchholtz and unanimously carried.

APPROVAL OF PREVIOUS BOARD OF DIRECTORS MEETING MINUTES

A motion was made by Kristen Padberg to approve the November 6, 2023 Board of Directors Meeting Minutes and the November 16, 2023 Organizational Meeting Minutes as presented. The motion was seconded by Eric Swartz and unanimously carried.

INVESTMENT UPDATE

Genae Affrunti presented the investment portfolio update, a copy of which was presented to the Board.

Ms. Affrunti exited the meeting at 10:27 a.m.

RESORT OPERATIONS UPDATE

Samantha Barry presented the resort operations update. Highlights included:

- Staffing update
- 2023 Year end occupancy was 87.1%
- Forecasted occupancy for February 2024 is 96.1%
- Owner and Guest satisfaction scores were reviewed:
 - Overall Satisfaction: 76.5% YTD
 - Villa Assignment: 100% YTD
 - Resort Cleanliness: 93.8%
 - Villa Cleanliness: 100%
 - Everything Worked: 64.7%
- Park Hyatt Hotel and Residences activities and amenities update
- Local area activities
- Owners' website update

Action item

- Brandon Elliott to provide the recently implemented governance policies to upload to the association website.

FINANCIAL REPORT

Jonathan Barkett presented the financial report. Highlights included:

2023 Year End Unaudited Financials

- Forecasted Operating Fund deficit \$138,450
- Key variances:
 - Bad debt (\$66,724)
 - Housekeeping (\$41,233)
 - Income tax (\$39,963)
 - Front desk (\$21,986)
 - Investment interest \$45,702
- Bad debt is primarily due to the four association owned units and unpaid maintenance fees; housekeeping expenses are primarily driven by increased occupancy and cost for labor; income tax expense driven by investment interest income; and front desk expenses primarily driven by increased benefits
- Operating investment interest is driven by higher than anticipated yields resulting in increased interest and dividend income.

Action item

Jonathan Barkett will send the 2023 budget summary to Mr. Swartz and Mr. Buchholtz as requested, as well as a brief orientation of the abbreviations from the financial report to the Board.

Accounts Receivable

- Unpaid maintenance fees for 2023 is .8%, compared to 1.8% in 2022
- An overview of delinquent accounts and foreclosures was provided.

Association Owned Inventory

Jami Champagne reviewed the association owned inventory

- Association owns 4 units and are all currently listed for resale with Berkshire Hathaway

RESERVES UPDATE

Jami Champagne and Todd Lebow presented the reserves and cash flow update. Highlights included:

<u>2023 Reserve Project Updates</u>	<u>Funding</u>	<u>Status</u>
Travertine Tile Floor repairs/replacement	\$51,500	Anticipate Spring 2024; move to 2024.
Wi-Fi Equipment replacement	\$34,479	Awaiting project close-out from hotel
Shower head and faucet replacement	\$21,630	Estimate April 2024
Model Unit Renovation & Design Fees	\$271,884	Carryover \$66,028 (\$45,961 committed)

Of the total funding of \$379,493, \$173,637 will be carried over to the 2024 Reserve Fund for the completion of projects.

Mr. Lebow reviewed the refurbishment project financials as of February 15, 2024, which was included in the Board book emailed to the Board on February 20, 2024

<u>2024 Reserve Project Updates</u>	<u>Funding</u>	<u>Status</u>
Full soft good renovation (14 units)	\$1,287,993	On Hold
Exterior Corridor Renovation, including hallway art, lights, hallway furnishings, baseboard trim, repair, and emergency exit fixtures.	\$124,823	On Hold
Travertine Tile Floor	\$51,500	Rolled from 2023; to be installed during April maintenance weeks.
Shower Head & Faucet Replacement	\$21,630	Rolled from 2023; to be installed as soon as possible; anticipate April maintenance weeks.
Model Unit Renovation & Design Fee	\$66,028	Rolled from 2023; \$45,961 committed
Wi-Fi Equipment	\$34,479	Rolled from 2023; equipment has been installed. Awaiting final billing closet-out from hotel. Anticipate some savings.
Total approved 2024 Projects:	\$1,586,453	

A motion was made by Sean Buchholtz to approve \$173,637 from the 2023 Reserve Fund to the 2024 Reserve Fund for the completion of the Travertine Tile floor replacement, Wi-Fi Equipment replacement, Showerheads and Sink Faucet replacement, and Design and Model Unit expenses, as presented. The motion was seconded by Jonathan Burke and unanimously carried.

Appliances

Ms. Champagne explained the refrigerator in Residence #2053 stopped working and could not be repaired as parts were not available, therefore an emergency replacement was purchased.

A motion was made by Jonathan Burke to approve moving \$3,075 from 2024 Operating Fund to the 2024 Reserve Fund for the replacement cost of a refrigerator for Residence #2053. The motion was seconded by Kristen Padberg and unanimously carried.

Mr. Lebow stated the management company will review the reserves, research appliance packages, and bring appliance options to the Board in a future meeting for review.

Renovation: Residence and Corridor

Mr. Lebow provided an update on the Residence and Corridor renovation. Highlights included:

- Corridor scope, unit scope and additional alternatives scope items
- Previous design narrative and material boards
- Existing design photos and design renderings
- Overview of the previous Board’s review and approval process
- Reselections approved as of November 6, 2023
- Overview of interior design standards and brand requirements
- Refurbishment timeline overview
- Highlighted remaining project deliverables for Forrest Perkins
- D’Amore Interiors Furniture and Design proposal summary include:

- Furnishing and décor plans for 15 condos, design presentation, two site visits (the initial visit and installation) additional design fees for added scope items, and outsourced items not from the showroom are an additional 10% procurement fee.
- Mr. Lebow expressed concern regarding design requirement not included in D'Amore Interior's initial fee such as Hyatt Brand presentation with design board and renderings, specification package and construction documents
- Additional notes of concern included:
 - There is no confirmation the furniture carried in the showroom meets hospitality commercial grade or brand requirements
 - Project management oversight
 - Achievable schedule with designer's process to include brand approvals
 - Additional design fees are not included in furnishings design fee
 - Proof of general liability, auto, workers compensation and employers' liability coverage supplied; D'Amore contacted their insurance provider to add professional liability coverage
- Ms. Champagne stated the Board may choose to continue with Forrest Perkins and request changes or select D'Amore to move forward with a design, for which Hyatt brand approval will be required
- Ms. Champagne assured the Board that the management company will provide brand requirements to the designer

A motion was made by Eric Swartz to engage D'Amore Interiors for the Residence and Corridor design and approve the \$25,450 payment to D'Amore interiors for the services as outlined in the estimate attached to them minutes of record as Exhibit A and authorize the Board President to execute the agreement on behalf of BC Hotel A Residence Owners Association, Inc. The motion was seconded by Jonathan Burke and unanimously carried.

The Board discussed potentially terminating the agreement with Forrest Perkins. Mr. Lebow confirmed that Forrest Perkins has already paused the work and the Board agreed to take no further action at this time.

UNFINISHED BUSINESS

Committee Discussion

Mr. Swartz led the discussion to establish a Finance Committee.

A motion was made by Sean Buchholtz to nominate Sean Buchholtz, Ab Conner, and Tanya Farah to the Finance Committee. The motion was seconded by Jonathan Burke and unanimously carried.

The Board agreed that the Renovation Committee can work with the management company for guidance on the renovation project.

NEW BUSINESS

In-Room Amenities – Le Labo

Ms. Barry reviewed the in-room amenities from Le Labo. Highlights included:

- Upgrade option presented based on feedback from the previous Board
- Reviewed initial price for upgrade to full size bottles from Le Labo and existing single use bottles from Lather
- Lather is currently exclusive to Residences at Park Hyatt Beaver Creek; Ms. Barry will confirm if there is an obligation to fulfill any remaining inventory when placing the next order
- Le Labo samples will be provided to the Board (Ms. Conner noted she does not require a sample)

Reimbursement Policy

Mr. Swartz called for any discussion regarding the Board Reimbursement policy. Mr. Elliott stated a copy of the policy was provided in the Board book and noted if there were no changes, the Board may choose to move forward and reaffirm the expense policy as presented.

A motion was made by Eric Swartz to approve the Expense Policy as presented. The motion was seconded by Jonathan Burke and unanimously carried.

Letter from Owner (Former Board Member)

Ms. Champagne advised the board that a letter from an owner and prior board member was provided in their board packet. The letter was reviewed by the Board and no action was taken.

Wages & Benefits of Front Office Supervisor

Mr. Barkett confirmed that Front Office Supervisor wages and benefits will be allocated between The Residences at Mountain Lodge & The Residences at Park Hyatt.

Announcement of Next Meeting Dates


- May 9, 2024 at 10:00 a.m. Mountain time – Board Meeting
- September 13, 2024 at 10:00 a.m. Mountain time – Board Meeting
- November 14, 2024 at 11:00 a.m. Mountain time – Annual Meeting

ADJOURNMENT

There being no further business to come before the Board, a motion was made by Kristen Padberg to adjourn the meeting at 12:58 a.m. The motion was seconded by Sean Buchholtz and unanimously carried.

Submitted by:

Approved by:


Lisa Bythwood (Jun 7, 2024 11:38 EDT)

06/07/24


Eric Swartz (Jun 7, 2024 07:41 EDT)

07/06

Lisa Bythwood
Recording Secretary

Date

Eric Swartz
President

Date









RPH 02.23.24 BOD SM - Minutes - Approved

Final Audit Report

2024-06-07

Created:	2024-06-05
By:	Brandon Elliott (brandon.elliott@vacationclub.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA6n6rnzw-38BNzZ5CuniYLuPerMVKGyzK

"RPH 02.23.24 BOD SM - Minutes - Approved" History

-  Document created by Brandon Elliott (brandon.elliott@vacationclub.com)
2024-06-05 - 8:47:35 PM GMT
-  Document emailed to Lisa Bythwood (lisa.bythwood@mvmc.com) for signature
2024-06-05 - 8:47:40 PM GMT
-  Document emailed to Eric Swartz (ericswartz@equiplace.com) for signature
2024-06-05 - 8:47:41 PM GMT
-  Email viewed by Eric Swartz (ericswartz@equiplace.com)
2024-06-07 - 11:38:51 AM GMT
-  Document e-signed by Eric Swartz (ericswartz@equiplace.com)
Signature Date: 2024-06-07 - 11:41:26 AM GMT - Time Source: server
-  Email viewed by Lisa Bythwood (lisa.bythwood@mvmc.com)
2024-06-07 - 3:37:37 PM GMT
-  Document e-signed by Lisa Bythwood (lisa.bythwood@mvmc.com)
Signature Date: 2024-06-07 - 3:38:02 PM GMT - Time Source: server
-  Agreement completed.
2024-06-07 - 3:38:02 PM GMT