BC Hotel A Residences Owners Association, Inc.

Board of Directors Meeting **August 21, 2025**

A regular meeting of BC Hotel A Residences Owners Association, Inc. Board of Directors was held on August 21, 2025, via Microsoft Teams, hosted from The Residences at Park Hyatt Beaver Creek, 136 East Thomas Place, Avon, Colorado 81620.

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; Brandon Weilenmann, Assistant Vice President, Finance; Jonathan Barkett, Regional Director, Finance; Todd Lebow, Director, Architecture and Construction; John Torchiana, Assistant Vice President, Architecture and Construction; Zafera Aaron, Manager, Association Management and Colleen Keane, Specialist, Association Management

CALL TO ORDER

Eric Swartz, President, called the meeting to order at 10:02 a.m. Mountain time.

APPOINTMENT OF CHAIRPERSON

A motion was made by Kristen Padberg to appoint Eric Swartz as meeting chairperson. The motion was seconded by Jonathan Burke and unanimously carried.

ESTABLISHMENT OF QUORUM

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

APPOINTMENT OF RECORDING SECRETARY

Mr. Swartz appointed Colleen Keane to serve as Recording Secretary.

PROOF OF NOTICE OF BOARD OF DIRECTORS MEETING

Notice of Board Meeting was emailed to all Board Members on November 18, 2024 and posted on-site as required by the governing documents.

APPROVAL OF AGENDA

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

APPROVAL OF BOARD OF DIRECTORS MEETING MINUTES

A motion was made by Eric Swartz to approve the May 2, 2025 Board of Directors Meeting Minutes as presented. The motion was seconded by Sean Buchholtz and unanimously carried.

RESORT OPERATIONS REPORT

Samantha Barry presented an update on resort operations. Highlights included:

- Owner and guest satisfaction scores
- Park Hyatt Hotel staff updates, projects and experiences
- Occupancy report including forecasted occupancy and occupancy by reservation and usage type

FINANCIAL REPORT

Jonathan Barkett presented the financial report. Highlights included:

Current Financials

- 2025 year-to-date operating fund balance was $143,104
- As of July 31, 2025, year-to-date surplus was $31,360 driven by:
  - Acquisition revenue: favorable due to sale of HOA owned inventory
  - Insurance: favorable due to lower than anticipated insurance rates
  - Club rental revenue: favorable due to lower year-to-date owner/club occupancy than budgeted leading to higher club rental available nights

- Income Taxes: unfavorable due to higher return on investments on reserves resulting in higher than anticipated income tax liability
- Front Desk: unfavorable due to higher wage increases as well as higher incentive-based compensation paid

- Year-end forecasted surplus was $21,051 driven by:
  - Acquisition revenue: favorable due to sale of HOA owned inventory
  - Insurance: favorable due to lower than anticipated insurance rates
  - Income Taxes: unfavorable due to higher return on investments on reserves resulting in higher than anticipated income tax liability
  - Front Desk: unfavorable due to higher wage increases as well as higher incentive-based compensation paid
  - Administrative and general: unfavorable in guest relations due to evacuation at the end of January 2025 covering hotel costs for guests

Accounts Receivable

- As of July 31, 2025, 2.60% of 2025 maintenance fees were unpaid
- There are currently 7 delinquent accounts
- Four units have been sold since December 2024 with net revenue of $153,133
- Two weeks of Association Owned Inventory have been rented year-to-date 2025, generating $11,070 in revenue
- The association currently owns 1 unit

Reserve Update

Mr. Barkett and Ms. Barry presented an update on Reserves. Highlights included:

- Reserve cash flow scenarios were reviewed including with and without a special assessment
- A status update on 2025 Reserve Projects was reviewed

Kristen Padberg exited the meeting at 10:53 a.m.

A motion was made by Eric Swartz to affirm the approval for the purchase of the Kovet benches in the amount of $26,850. The motion was seconded by Sean Buchholtz and unanimously carried.

A motion was made by Sean Buchholtz to affirm the approval of the updated corridor carpet selection, approved via email on August 16, 2025. The motion was seconded by Eric Swartz and unanimously carried.

A motion was made by Jonathan Burke to affirm the approval of the installation of shutoff valves in the amount of $17,433,84. The motion was seconded by Sean Buchholtz and unanimously carried.

Ms. Barry reviewed 2026 reserve projects including reception area refurbishment. The Management Company will look at options and guidelines to complete the refurbishment internally.

Proposed 2026 Budget and Maintenance Fee

Mr. Barkett presented the proposed 2026 budget and maintenance fees. Highlights included:

Key Drivers

- Occupancy budgeted flat to forecast
- Occupancy by year: 2023: 78% | 2024: 83.6% | 2025 Year-End Forecast: 82.9%

Inflation

- 2.5% - 3% inflation applied to most expenses depending on line item
- 2025 expense trend carried into 2026, except for specific items under contractual terms

Wages/Benefits

- Merit: 3% increase for in April for Director of Operations position, September for Supervisor position

Insurance
- Insurance mainly comprised of Property, General Liability, D&O with some other categories
- Budgeted rate decrease of 10% on property and all other types after each policy renewal

Utilities
- Cable: budgeted increase 3.5% over 2025 actuals per 2025 billback from Park Hyatt Hotel
- Internet: budgeted increase of 3% over 2025 actuals

Bad Debt Expense
- Bad debt maintained at $0 in anticipation of a sale of the one unit the COA owns
- Plan to secure a summer week for rental of the COA inventory which will be a desirable float week for buyers

Prior Year Surplus / (Deficit)
- Forecasting an Operating Fund Surplus at Year-End 2025 of $143K
- 5% of budgeted expenses is $118K

Reserves
- Proposed 2026 Maintenance Fee of $1,422/interval, up by $176.24/interval or 12.1% from the 2025 billing of $1,269/interval

Hotel A Dues
- Budgeted increase of 5% over 2025 actuals, in 2025 we budgeted a 9% increase, actual came in at 5%

Considerations: Housekeeping
- Turndown service: eliminating turndown service in the off seasons would save $13,821 (0.51%)
- Daily service: eliminating daily service in the off seasons would save $66,457 (2.44%

The Board discussed and agreed to keep these services.

A motion was made by Jonathan Burke to approve the 2026 BC Hotel A Residences Owners Association, Inc. budget, as presented, including each line item of such budget, and move to direct the Secretary of the Association to include such budget in the records of the Association and attach to the minutes of the record as Exhibit A, which budget includes total Operating Fees of $2,302,189 and Reserve Fees of $472,651 for a total budget of $2,774,840. The motion was seconded by Sean Buchholtz and unanimously carried.

A motion was made by Jonathan Burke to approve the 2026 maintenance fee billing schedule as follows: Maintenance Fee Billed on November 26, 2025 and Maintenance Fee Payment Due on January 1, 2026. The motion was seconded by Sean Buchholtz and unanimously carried.

NEW BUSINESS

Colorado Statute Update

Ms. Barry shared an update to Colorado's new legislation regarding enforcement and collection policies.

A motion was made by Sean Buchholtz to approve engaging Goodman and Wallace P.C. to draft proposed changes to the BC Hotel A Residences Owners Association, Inc.'s Policy for Collection of Assessments in regard to updates to Colorado HB25-1043, as presented in the firm's proposal. The motion was seconded by Eric Swartz and unanimously carried.

Guest Certificate Revenue Opportunities

The Board discussed revenue opportunities for implementing parking and resort fees for guest certificates.

A motion was made by Jonathan Burke to approve the parking fee of $60 nightly, per vehicle, to guest certificate rental reservations effective January 1, 2026. It is further moved that the Board will revisit the nightly resort fee in the November Annual Meeting. The motion was seconded by Sean Buchholtz and unanimously carried.

Jonathan Burke exited the meeting at 11:53 a.m.

Announcement of Next Meeting Dates

- Board of Directors and Annual Meetings, Friday, October 17, 2025 at 9:00 a.m. and 11:00 a.m. Mountain time
- Proposed 2026 meeting dates were reviewed

ADJOURNMENT

There being no further business to come before the Board, a motion was made by Eric Swartz to adjourn the meeting at 11:57 a.m. The motion was seconded by Tammy Conner and unanimously carried.

Submitted by:

11.07.25

Colleen Keane — Date
Recording Secretary

Approved by:

1/7/25

Eric Swartz — Date
President

EXHIBIT A

BC HOTEL A RESIDENCES OWNERS ASSOCIATION, INC.

2026 Estimated Operating Budget

For The Period Beginning January 1, 2026 And Ending December 31, 2026

	2025 BUDGETED EXPENSES 300 INTERVALS (PER INTERVAL)	**2026 PROPOSED BUDGET 300 INTERVALS (PER INTERVAL)**	2025 BUDGET VS 2026 BUDGET INCREASE/(DECREASE)		**2026 PROPOSED BUDGET TOTAL**
			$	%	**$**
Revenue					
Maintenance Fee (excluding Club Dues)	8,781.60	**8,781.60**	0.00	0.0%	**2,634,482**
Assessment- Club Dues	314.00	**314.00**	0.00	0.0%	**94,200**
Bank/Investment Interest	161.00	**149.37**	(11.63)	(7.2%)	**44,810**
Club Rental Revenue	100.00	**100.00**	0.00	0.0%	**30,000**
Late Fees	9.36	**7.36**	(2.00)	(21.4%)	**2,209**
Maintenance Fee Interest Income	3.02	**11.19**	8.17	270.5%	**3,356**
Miscellaneous Income	0.00	**0.00**	0.00	0.0%	**0**
Resort Fee	8.83	**7.90**	(0.93)	(10.5%)	**2,370**
Surplus Return	0.00	**0.00**	0.00	0.0%	**0**
Total Maintenance Fee Revenue	**9,377.81**	**9,371.42**	**(6.39)**	**(0.1%)**	**2,811,427**
Expenses					
Accounting	35.21	**35.21**	0.00	0.0%	**10,564**
Administration	154.01	**172.55**	18.54	12.0%	**51,765**
Audit Fee	35.66	**36.73**	1.07	3.0%	**11,018**
Billing and Collections	24.50	**30.63**	6.13	25.0%	**9,189**
Board of Directors	50.00	**48.67**	(1.33)	(2.7%)	**14,600**
Cable Television	8.11	**10.37**	2.26	27.9%	**3,112**
Club Dues	314.00	**314.00**	0.00	0.0%	**94,200**
Credit Card Fee	82.62	**88.59**	5.97	7.2%	**26,577**
Front Desk	1,014.82	**1,054.61**	39.79	3.9%	**316,384**
High Speed Internet	13.16	**10.92**	(2.24)	(17.0%)	**3,276**
Hotel A Dues	746.20	**756.00**	9.80	1.3%	**226,800**
Housekeeping	2,795.02	**2,867.65**	72.63	2.6%	**860,296**
Human Resources	5.77	**5.77**	0.00	0.0%	**1,732**
Income Tax	103.80	**112.00**	8.20	7.9%	**33,600**
Insurance	105.67	**25.56**	(80.11)	(75.8%)	**7,667**
Legal	0.00	**0.00**	0.00	0.0%	**0**
Loss Prevention / Security	6.50	**6.53**	0.03	0.5%	**1,960**
Maintenance	360.74	**364.96**	4.22	1.2%	**109,487**
Management Fee	919.69	**933.38**	13.69	1.5%	**280,014**
Operating Capital	300.00	**0.00**	(300.00)	(100.0%)	**0**
Parking Lease	156.03	**0.00**	(156.03)	(100.0%)	**0**
Pool Maintenance	274.24	**280.77**	6.53	2.4%	**84,230**
Postage and Printing	0.00	**0.00**	0.00	0.0%	**0**
Property Taxes	602.34	**620.41**	18.07	3.0%	**186,123**
Telephone	1.20	**1.00**	(0.20)	(16.7%)	**300**
Transportation / Garage / Parking	0.00	**150.35**	150.35	100.0%	**45,105**
Operating Fee	**8,109.29**	**7,926.66**	**(182.63)**	**(2.3%)**	**2,377,999**
Reserve Fee	1,268.52	**1,444.76**	176.24	13.9%	433,428
Operating And Reserve Fee	**9,377.81**	**9,371.42**	**(6.39)**	**(0.1%)**	**2,811,427**
Average Maintenance Fee Including Club Dues	**9,095.60**	**9,095.60**	**0.00**	**0.0%**	**2,728,682**

Certain insurance services and insurance products may be procured or provided by an affiliate of the management company. Such insurance services and insurance products are provided on substantially similar terms and conditions as are provided to other associations, with terms and conditions which are reasonably obtainable in the market. The reimbursable expenses associated with such insurance services and products include costs for employees of the management company. The affiliate of the management company may incur profits or losses associated with such insurance services and products.

Certain expenses incurred by the Management Company and its affiliates in connection with the operation and management of the Association, including but not limited to expenses associated with utilization of its corporate or administrative infrastructure, have been allocated to the Association and other resort properties operated by the Management Company and its affiliates on a basis determined by the Management Company in a commercially reasonable manner. This may include an allocation of certain costs and expenses on a fixed-rate basis, and actual costs and expenses incurred may be higher or lower than the amount allocated to the Association and reflected in this budget for the referenced fiscal year.