

Grand Timber Lodge Board of Directors

E-Meeting 4/23/18 6pm – 8pm

Board Present: Marc Block, Gerrit Mahsman, Jay Keany, Tom Endres, Nick Doran, Lew Phinney, Roger Lemmon

Advisory Committee Present: Chris Maciejewski, Mark Orton, David George, James Hagerman, Karen Marley-Sture, Tom Wood, Rhonda Salazar

Absent: Angus MacKelvey, David Bell

Management Present: Kimberly Tramontana, Josh Stuhr, Eli Yoder, Amy Hoffmann, Bradford Beverlin, Peggy Helfrich, Christine Britton

AGENDA:

6:05pm - Call to Order – Marc

Time: 6:05pm

6:05pm – Changes to the Agenda – Marc

6:07pm - Approval of Minutes from the October 21, 2017 meeting – Marc
(pages 1-13) –*Board action required.*

6:15pm - Financials

- Accept Unaudited Financials – Amy (pages 14-21)
 - February 2018 – *Board action required.*
- Accounts Receivable Update – Bradford (pages 22-26)

6:30pm – General Manager Report

- General Manager Report - Josh (pages 27-28)

6:40pm – Updates and New Business

- Approval of the GTLOA 2017 Audited Financials– Amy (pages 29-30)
- Reserve Update – Josh (pages 31-32)
- Resale Agreement – Kimberly (page 33)
- Governance Policy – Amy (pages 34-35)
- GTLOA Truck Purchase – Kimberly (page 36)
- GTL Amenities – Kimberly (pages 37-38)
- Winter 2019 BiGVARs update - Marc (page 39)
- Interval International Update from Marc’s trip – Marc (pages 40-42)

7:25 - Review Action Item List

- Review Current Action Items – Kimberly - (pages 43-46)
- Accept Action Items from Board and Advisory Committee – Peggy - (page 44)
- Summarize New Action Items – Peggy - (page 44)

7:45pm – Miscellaneous – Kimberly

- Comments to/from Staff - (page 47)
- NPS Reports - (pages 48-52)
- Trip Advisor Reports - (page 53-58)

7:55pm – Important Dates – Peggy - (page 59)

- Next Finance Committee Meeting Date – Proposed October 15, 2018

- Board and Annual Meeting – October 20, 2018
- Contract / Agreement Dates

8:00pm – Adjournment – Marc (page 60)- *Board action required.*

CHANGES TO THE AGENDA:

The order of updates and new business changed.

APPROVAL OF MINUTES:

MOTION: To approve the meeting minutes from the October 21, 2017 Board Meeting.

Motion made by Tom Endres, seconded by Gerrit Mahsman. All in favor. None opposed.

There was no discussion.

UNAUDITED FINANCIALS:

A summary of the February 2018 GTLOA Financials includes:

The GTLOA Operating Budget is experiencing a YTD favorable variance of \$146,926.

Operating Revenue is experiencing a favorable variance of \$11,513 YTD.

- Late Fee Income shows a favorable variance of \$19,358 due to more finance and late charges were billed than anticipated.
- Misc. Income shows a favorable variance of \$16,850 due to the Deed in Lieu budgeted income being transferred to its own line. The actual Deed in Lieu income will be re-classed in March.

Operating Expenses show a favorable variance of \$135,413 YTD.

- Housekeeping Cleans shows a favorable variance of \$89,147 due to the February laundry invoice is still in process along with enjoying additional cleaning fee revenue.
- Engineering shows a favorable variance of \$22,497 due to various small savings at the start of the year.

Timing variances include:

- Water and Sanitation show a favorable variance of \$15,522 as the February billing will be processed in March.

Motion to accept the February 2018 GTLOA Financials made by Jay Keany, seconded by Gerrit Mahsman. All in favor. None opposed.

No discussion.

ACCOUNTS RECEIVABLE UPDATE:

- Dues recoveries regarding the 2018 billing are up 28% from the 2017 dues recoveries as of 3/30/18 with 81.9% of the 2018 billed dues being paid.
- The cleanup of severely delinquent accounts over 90 days past due is ongoing and proceeding

according to budgetary needs.

- 22 deeds recovered since October 2017.
- \$6,300 monies gained through Deed Recovery since October 2017.
- Foreclosures in process will be completed by mid-2018.

Discussion:

- The 22 deed recoveries were from October 2017 and were not just simple deed recovery but negotiation.
- GTLOA is currently in a good place and going in the right direction with delinquencies.

GENERAL MANAGER REPORT:

April 2018

As the ski season comes to an end, we are pleased to report that we have enjoyed another successful winter, even with the challenges mother nature presented us with. Though our snowfall totals fell short of average for the season, Breckenridge continued to enjoy some of the best snow in the entire country for much of the ski season.

The unique weather we experienced this past season impacted the travel patterns of our owners and guests. As our guests' behavior evolved, so too did our operations. Housekeeping maintained a nimble schedule to reflect the changing demands for their services. With the unpredictable weather, we noticed a decrease in our average length of stay, which increased the demand for full clean services, as reflected in the housekeeping budget. The Activities Team worked to fill the calendar with new activities to provide additional entertainment options, including events like Poolside Bingo and Macramé.

While weather can have a notable impact on the vacation experience, especially for our winter guests, we are happy to share that we have continued to enjoy a positive trend in our post stay survey scores. In comparing similar 12-month periods from the beginning of April until the end of March, we are happy to share an increase in our GNPS score from 68 in 2017 to 69 in 2018! This is a testament to the commitment of our team to our passion statement, "Our Family Commitment: Always Grand Vacations."

As we look forward to the summer weather, here are some updates and a look ahead: Room Upgrades

- Engineering has completed the installation of new, full length mirrors in all of the master units. The new mirror has added style and function to the rooms.
- CubieBlue alarm clocks were installed in each bedroom. These new clocks feature easy Bluetooth connectivity, as well as 2 outlets and USB charging ports on each clock. This helps to remedy a longstanding concern that there were limited outlets readily available in the bedrooms. The new bedroom lamps being installed in Buildings 1 through 4 this spring will also feature accessible outlets.
- We are approaching the final phases of installing new, 55" TVs in the master living rooms. As part of this, the 42" TV is being relocated to the studio, which is also an upgrade from the 32" TV that was previously in this location.
- As part of the TV upgrade, new BluRay players are also being installed in all living rooms and studios. This BluRay player uses the newer, higher resolution technology, while also retaining DVD compatibility.
- At the time of the Board Meeting, we will be just a few days into the replacement of the

Building 3 windows and balcony doors. In the third phase of this project, we are excited to be working with the same contractor and suppliers who have now become familiar with our expectations and standards.

- Our new bulk amenity dispensers have arrived and will be installed this spring. The bulk dispensers reduce both product waste and also the thousands of small, plastic bottles that were disposed of annually. On an annual basis, we believe these dispensers will save in excess of \$20,000 each year!

Resort Upgrades

- The installation of new signage is complete throughout the resort. The new signs have been well received and feature clearer messages, from directions on using the grills to finding your way around the resort.
- Work is in progress to replace the Building 3 and 4 attic fire suppression system. The new system features modern technology that fills the system with nitrogen. The use of the inert gas greatly reduces the corrosion in the system caused by the compressed air.
- At long last, work to renovate the Building 1 steam room is under way. Not only will the new steam room feature a great new look, it will also produce a eucalyptus steam when it is completed!
- LED exit signs have been installed across the property. The new, edge lit lights feature an energy efficient design that is easy to see and understand in the event of an emergency. The LED lighting will also have a longer life than the traditional fixtures.

Looking Ahead

- New bedroom furniture for Buildings 1 through 4 is scheduled to be installed beginning May 5th. This new furniture will reflect the style of the living room furniture, making for a cohesive and thoughtful design throughout the unit. New mattresses will be installed in Buildings 3 and 4 at the same time.
- As soon as weather permits, the exterior painting of Buildings 1 and 2 will begin.
- We look forward to completing renovations to add another ADA accessible master unit to our portfolio. Unit 6210 has been selected as part of a 3 bedroom, allowing us to provide owners and guests staying in a 3-bedroom access to the resort.
- Work is scheduled to begin May 27th on the refurbishment of the Building 6 elevator cabin. This update will feature the same design as Buildings 3, 4, and 5 that has been extremely well received.

Discussion:

- Some of the platform beds will be replaced throughout the buildings. The new platforms will have clipped corners to reduce the risk of hitting one's leg on the corner.
- The boiler vents and stacks are not something that will be dealt with now, but once the boilers are replaced further down the road.
- The bulk amenity dispensers are going well in the test units and the housekeepers are finding efficiencies in the units. They will most likely be cost neutral or cost beneficial in the long run and create less waste.
- Josh will make sure owners are aware of all the amenities offered at GTL.

RESERVE COMMUNICATIONS:

This is a newly added section to each Board Packet so that we can always update the GTLOA Board

and Advisory Committee on the ongoing Reserves projects. From recent feedback we have proposed the action items below and are looking forward to working with the GTLOA Board and Advisory Committee to continue to improve this communication.

Proposed Action Items:

- Share the design plan with the Board and Advisory Committee prior to purchasing
- Discuss upcoming and planned furniture replacements as part of the Reserve Study update as part of the fall Board meeting agenda
- Post design boards in the Grand Room
- Share in monthly missives notable updates made to the reserve plan during the internal review process

ADA UNIT UPDATE:

Work to convert an additional master unit to meet ADA requirements is scheduled to begin April 30th in unit 6210. This unit is part of a three bedroom and will allow us to better accommodate three-bedroom owners with disabilities. Grand Timber Lodge currently has one master unit that is accessible as part of a two bedroom. This additional master unit provides a second master option in addition to opening up a true three-bedroom experience.

Reserve Project	Status	Timeline
Garage Doors - Building 1	Complete	February
Bell Carts	Complete	March
Alarm Clocks Fire Suppression - Building 3 & 4	Complete In Process	January Estimated Completion: early June
Lighting - Exit Signs	In Process	Estimated Completion: early May
Steam Room Renovations	In Process	Estimated Completion: early May
Building 3 Windows & Doors BluRay Player	In Process In Process	Estimated Completion: late May Estimated Completion: late May
Living Room TV	In Process	Estimated Completion: late May
Building 3 Window Treatment	In Process	Estimated Completion: late May
Appliance Replacements Elevator Cabin Refurbishment	Annual Replacements, In Process Scheduled	Scheduled start date: 5/28
Exterior Painting - Building 1 & 2	Scheduled	Estimated start date: early June
3 Bedroom ADA Updates	Scheduled	Scheduled start date: 4/30
Bedroom Furniture Building 3 & 4 Mattresses	Scheduled Scheduled	Scheduled start date: 5/6 Scheduled start date: 5/13
Library - Bathroom Remodel	Pending	Summer
WiFi Upgrades	Pending	Summer
Thermostats	Pending	Late Summer

GTL ENGINEERING TRUCK:

The Grand Timber Lodge Engineering department utilizes a truck to complete various tasks throughout their day, from moving furniture to buying lumber and supplies from the local hardware store. The existing truck is owned by Peak 8 Properties and is leased to the GTLOA for this use. Due to a change in Accounting standards that will go into effect in 2019, these types of leases will no longer be allowed after 2019. Moving forward, the Association will need purchase vehicles or have a capital lease in place. Both of these options will require booking the vehicle as an asset on the balance sheet.

An opportunity exists to divest the existing truck that is owned by Peak 8 Properties as it is aging and beginning to require increased repairs. BGV has a 2016 truck that was previously used within the company that can be sold to the GTLOA. The new truck has a plow and a flatbed with a lift gate already installed. This will allow the techs to safely lift and carry large items, as well as maintaining the snow berm that can build at the end of the driveway and the ski trail access behind Building 2.

The 2016 truck has a Kelley Blue Book value of about \$27,005. In order for the HOA to maintain the same monthly payment, BGV is willing to sell the truck to the GTLOA for \$24,720, which will be depreciated over a 5-year period. Because GTLOA currently has the cash, BGV is recommending that the association

purchase the vehicle outright.

Motion made by Roger Lemmon, seconded by Tom Endres. All in favor. None opposed.

Discussion:

- The GTL truck will not be shared by any other properties as they all have their own trucks.
- The truck does get heavily used and is needed. Housekeeping does use this every so often when needed, but mostly by engineering.
- GTLOA is currently paying \$4,940 per year. The cost of the new truck will be coded to depreciation for the next 5 years and in the same amount. After the 5 years, the depreciation will cease.

GTL AMENITIES CHANGE:

Proposed for GTL Amenity Change

Overview:

- BGV has decided to close Refresh Spa due to multiple factors including difficulty keeping the spa staffed, increasing financial loss and decreasing demand for spa services.
- BGV is willing to create a new designated massage area in Building 1 above the pool area in what is currently known as the exercise mezzanine, which would allow for the continued offering of onsite massage services by appointment only. (see attached Plan 2)
- The closure of Refresh Spa creates an opportunity to elevate the amenities at GTL by creating a new Family Fun Center where the existing spa is. The new Family Fun Center would feature an arcade as well as 4 media rooms (see attached Plan 1) with theater seating, surround sound, large screen TVs and movie selection technology as well as video game options.
- In addition, the GTLOA could choose to “close the loop” regarding the size of the current Fitness Center, which is one of the most frequent requests that we receive. To accomplish this, the Activities Center would move to where the Fitness Center is currently located. Then the wall between the current arcade and Activities Center would be removed, and the Fitness Center would be relocated into this larger space. (see attached Plan 1)

We believe that the creation of the new Family Fun Center amenity while still offering onsite massages, as well as the possibility of a larger Fitness Center would be in the best interest of GTL’s owners and guests for years to come.

Cost:

BGV recognizes its fiduciary responsibility in regards to this proposal and in the spirit of partnership with the GTLOA, BGV is willing to pay for the following:

- BGV is willing to pay in excess of \$100K to demo the current spa space and create a new designated massage area in Building 1 above the pool area in what is currently known as the exercise mezzanine. BGV would continue to assume all responsibilities for the ongoing operations of the massage services at GTL.
- BGV would be willing to equally split the entire cost of the installation of the new Family Fun Center in exchange for a mutually beneficial lease option, which would allow the GTLOA to lease the commercial space currently occupied by Refresh Spa from BGV for

\$1/year for an initial term of 15 years, followed by 3 renewal terms of 5 years each. In exchange, BGV would lease the Front Desk space and current exercise mezzanine in Building 1 for the same cost and terms.

- In addition, the GTLOA could choose to spend an additional \$35K to create a larger Fitness Center as described above.

To fund these amenity changes, and as needed, BGV would coordinate a loan on behalf of the GTLOA for the total cost (approx. \$585K) and then subsequently split the costs with the GTLOA as follows:

- Approx. \$258K (44% of total cost) to GTLOA
- Approx. \$327K (56% of total cost) to BGV

If a loan is needed, the cost per 2-bedroom GTL annual owner would be approx. \$4 per year, based on an estimated 5-year loan at 7% interest rate and 20% down.

Timing:

There is some urgency as we currently have the opportunity to transfer all existing Refresh Staff to other positions within BGV which would allow us to avoid layoffs, etc. in addition to eliminating the financial loss of the spa sooner rather than later. We also have a general contractor who has an upcoming opening in their schedule in the near future.

We are seeking GTLOA Board direction and will take a motion based on the direction given regarding:

- The relocation of the Spa, and conversion of the current location to the media centers
- The change in location of the Fitness Center and Activities and Arcade

Motion to create the new massage space and convert the current spa location into a new Family Fun Center made by Roger Lemmon, seconded by Lew Phinney. All in favor. None opposed.

Discussion:

- This amenity change could potentially help GTL achieve Elite status with Interval International as well as increased trading power.
- Robes would be relocated to the Front Desk and Concierge.
- The building one exercise mezzanine is a very unutilized space and would in turn become a massage space.
- The HOA currently owns the Front Desk space and there is currently no lease in place for this space.
- The overview of estimated costs includes:
 - Media room technology and seating = \$156,000 – split equally between BGV and GTLOA
 - Fitness Center construction = \$35,294 – GTLOA cost
 - Spa demolition = \$16,280 – BGV cost
 - Family Fun Center construction = \$240,605 – split equally between BGV and GTLOA
 - Building 1 massage space construction = \$87,495 – BGV cost

- Design fees, permits, etc. = \$50,000 – split equally between BGV and GTLOA
- Totaling = \$585,674 – subject to change based on negotiations, etc.
- This seems like a fantastic opportunity when BGV is willing to pay for half of the cost to install the new Family Fun Center.
- The cost of furniture replacement, technology, etc. is not currently in the reserves so therefore the reserves would need to increase to cover these costs down the road.
- Three points of consideration with the spa: we do not have the problem hiring massage therapists like we do with other spa service provider positions, massages have the highest demand and has the highest profit margin of all the spa services.
- Are there other options we could use this money for such as employee housing or ski lockers but this a year around amenity all owners could use.
- There is currently not a way to enforce if owners were to opt-out of the Family Fun Center.
- This is the opportunity to make GTL up to par with GL7 and GC8 with additional amenities.
- Down the line this could be reconfigured into something other than theaters or media rooms but first need to allocate the space.
- The media rooms and arcade will not have a full-time person attending to the space and there are currently housepersons going through the spa space. The housekeeping wages will be coded to the HOA instead of BGV with this change.
- The reservation system for theaters will be through the same platform as Day Use which GL7 and GC8 currently use. Owners and guests will be able to sign up online as well as with the Front Desk and Concierge staff.

Motion to change the location of the Fitness Center and Activities and Arcade made by Roger Lemmon, seconded by Lew Phinney. Tom Endres, Nick Doran, Marc Block, Jay Keany, Lew Phinney and Roger Lemmon all in favor. Gerrit Mahsman opposed. Motion carried.

Discussion:

- There is the option to push off the Fitness Center if needed.
- Construction costs over the next couple of years could significantly increase so Nick suggested the sooner the better. BGV has experienced this over the last year.

AUDITED FINANCIALS:

GTLOA 2017 AUDITED FINANCIALS

Please find the summary of the GTLOA 2017 Audited Financials. They have been included as an attachment and were sent to the Finance Committee on 4/10/18. The Finance Committee will make a recommendation regarding the GTLOA Audited Financials and recommended transfer at the April 23, 2018 Board meeting.

There are three attachments to consider. The first is the Audited Financials, the second is The Governing Letter to the Board, the third is an Operating Fund Transfer Recommendation.

In summary, the 2017 Audited Financials show the following:

- We are pleased to share that Grand Timber Lodge ended FY2017 with an operating fund favorable balance of \$289,161 after transferring \$94,229 to the common reserve fund for the energy loan payback.
- The total operating fund revenue ended with a favorable variance of \$217,588!
- The total operating fund expenses show a favorable variance of \$173,626.

Please note the line item called "Transfer to other fund" at the bottom of page 4. The amount of \$94,229 that was transferred to the common reserve fund is the energy loan payback referenced above.

The variances in expenses were largely due to the following:

1. Bad Debt showed an unfavorable variance of \$33,285 due to actual bad debt being higher than the three-year average used for budgeting purposes.
2. Assessment Service Fees showed a favorable variance of \$13,176 due to fewer payments received via collections than anticipated.
3. Insurance showed a favorable variance of \$23,694 due to insurance rates being lower than budgeted.
4. Professional Fees showed a favorable variance of \$26,861 due to the foreclosure process taking longer than anticipated.
5. Fire Alarm Maintenance showed an unfavorable variance of \$36,314 due to necessary repairs needing to be made to the Building 3 & 4 dry system.
6. Hot Tub and Pool Maintenance showed an unfavorable variance of \$18,923 due to the purchase of new chemical feeders, which allows for better ongoing maintenance and will provide cost savings.
7. Unit Maintenance (Engineering) showed an unfavorable variance of \$25,691 due to the exterior painting of Buildings 3 & 4 being more expensive than budgeted and more window repairs being needed than anticipated.
8. Cleaning showed a favorable variance of \$149,204 due to savings in benefits, unit inventory, and amenities.
9. Property Tax showed a favorable variance of \$64,329 due to property taxes being lower than budgeted.

Motion to approve the GTLOA 2017 Audited Financials made by Tom Endres, seconded by Lew Phinney.

Discussion:

- The Operating Fund would transfer \$51,600 over to the Common Reserve Fund for the down payment for the Family Fun Center and fitness center project and transfer the remaining operating excess of \$248,047 from the Operating Fund to the Unit Reserve Fund. This leaves the Unit Reserve Fund with a balance of \$33,000 at the end of the year.
- The Finance Committee was waiting for Board direction for the truck lease as well as the amenity proposal.
- This transfer will be updated in the Audited Financials and the updated version will be emailed out Tuesday 4/24 for further review and approval.

The approval of the GTLOA 2107 Audited Financials was pushed back to be an email vote after needing more clarification. Below is the email vote.

Email vote on April 29, 2018 to approve the 2017 Audited Financials

Motion: To approve the GTLOA 2017 Audited Financials.

Made by: Lew Phinney

Seconded by: Jay Keany

Discussion:

Marc: I will start by commenting that we beat this up pretty good last night, and today's motion is with regards to the updated Audited Financials now reflecting the transfer of funds as we directed.

Results of the Vote:

Gerrit Mahsman – Yes

Jay Keany – Yes

Nick Doran – Yes

Lew Phinney – Yes

Roger Lemmon – Yes

Marc Block – Yes

Tom Endres – (no vote received)

The 2017 GTLOA Audited Financials are approved as of this date.

Thank you all for taking the time to participate in this approval process. This concludes the e-meeting.

Marc S. Block

President

Grand Timber Lodge Owners Association

RESALE AGREEMENT:

The proposed Resale Agreement is included as an attachment along with the Board Packet. We have provided both a redline version as well as a clean copy for your review. The Board recommended change to splitting the foreclosure fees has been updated.

2. Resale Program.

A. Term, Resale Consideration and Fee. The Association hereby grants to GPLR the exclusive right, without obligation, during the Term (defined below), to purchase any Properties from the Association, or directly obtain title to such Properties from a fractional estate owner on behalf of the Association, for the purposes of resale to a third-party, for consideration of GPLR's: (i) payment of any Association past dues for such Property, excluding any late fees, fines, interest or charges imposed as a result of such nonpayment, upon the acquisition of such Property; (ii) payment of 50% of the costs incurred by the Association directly as a result of obtaining a Property through foreclosure proceedings, as provided in writing to GPLR (iii) payment of any applicable transfer tax, fees or costs related to such transfer; and

(iv) agreement to pay any Association dues until resale of such Property to a third party (the “Resale Consideration”), and otherwise in accordance with the terms and conditions of this Agreement. The “Term” of this Agreement shall be for a period of one year from the Effective Date and shall automatically renew annually for an additional term of one year, unless either party provides notice of non-renewal before such renewal date. Either party may terminate this Agreement upon ninety (90) days’ prior written notice to the other party.

Motion to approve and sign the updated GTLOA Resale Agreement effective January 1, 2019, was made by Nick Doran, seconded by Roger Lemmon. Jay Keany, Marc Block, Lew Phinney, Roger Lemmon, Tom Endres and Gerrit Mahsman were all in favor. None opposed. Nick Doran abstained. Motion carried

Discussion:

- It was acknowledged that while the new resale agreement is not as good of a deal for the GTLOA, the new resale agreement does keep the HOA whole in regards to BGV paying all back dues and future dues.
- Last fall, BGV promised to provide some budget impact analysis in regards to the proposed resale agreement. In 2017, the GTLOA received approximately \$316,000 under the current resale agreement and with the new agreement the GTLOA would have gotten approximately \$111,000. One other budget implication will be a one-time impact in 2018, due to the writing off of the finance charges and late fees. In 2017, this amount was approximately \$165,000. In 2018, this could be less because we have seen a 28% increase in accounts being paid at this time of year from 2017 to 2018, so that means less finance charges and late fees. This also means less owners are going to collections which saves the GTLOA on fees paid to the collection agency. The 50/50 split on foreclosure costs is worth around \$109,000 in value to the HOA over a four-year period and that was negotiated in the fall of 2017.

GOVERNANCE POLICY APPROVAL:

On March 7, 2018 at 2:33pm, Marc Block, GTLOA Board President sent the following result of the email vote to approve the updated Governance Policy:

Results of the Vote:

Gerrit Mahsman – Yes

Jay Keany – Yes

Tom Endres – Yes

Nick Doran – Yes Lew

Phinney – Yes Roger

Lemmon – Yes Marc

Block – Yes

The updated Governance Policy is approved as of this date.

Thank you for taking the time to read the material, ask questions, and participate in this approval process.

Marc S. Block

President

Grand Timber Lodge Owners Association

GOVERNANCE POLICY ADDITION:

Proposed addition to the Collections Policy section of the Governance Policy:

Currently we assess finance and late charges as long as an account is active, including through legal status and/or foreclosure. There are many finance and late charges that get assessed that will never be collectable. The HOA's book finance charges as income when they are charged to the owner account, not when the finance charges are collected. Charging finance and late charges on very delinquent accounts that will never actually be collected inflates the income on the HOA and results in higher bad debt to the HOA to write the finance and late charges off.

Current:

2. Interest and Late Charges. Once assessments and other charges are past due and delinquent, a finance charge is assessed, accrued at an interest rate at not less than 1.5% per month until paid, or at such greater rate of interest as may be imposed from time to time by the Board. In addition to interest on an unpaid Assessment, the Association may impose a late fee of five percent (5%) of any unpaid Assessment.

Proposed:

3. Interest and Late Charges. Once assessments and other charges are past due and delinquent, a finance charge is assessed, accrued at an interest rate at not less than 1.5% per month until paid, or at such greater rate of interest as may be imposed from time to time by the Board. In addition to interest on an unpaid Assessment, the Association may impose a late fee of five percent (5%) of any unpaid Assessment. *Finance and late charges will cease after the account is greater than 730 days delinquent.*

Motion to amend the Collections Policy section of the Governance Policy to add the finance and late charges will cease after the account is greater than 730 days delinquent made by Gerrit Mahsman, seconded by Jay Keany. All in favor. None opposed.

Discussion:

- Amy would like to propose the change to the number of days from 700 to 730 days (two years). The reason for the change, is when BGV assess finance and late charges, it is booked as income in the month the finance charge is assessed so delinquent accounts is still active status. Once the accounts have become severely delinquent, these accounts really are not collectable, the finance charges should stop and there is no additional finance charges and late fee income that is being booked on the monthly financial statements. The result of this will be lower bad debt and lower income. This a net zero affect to your financial statements.

WINTER BiGVARS UPDATE:

This summary was shared with the GTLOA Board and Advisory Committee in January 2018 as well as being shared on the GTLOA Facebook page!

We are pleased to share that the Winter 2019 reservation request system has been successfully completed. As a reminder, with GTLOA Board approval, the request phase was re-designed to allow owners to place priority on the check-in day desired, versus the week.

To summarize the results from the 2019 Winter reservation assignments, approximately 1,992 owners representing 2,110 contracts placed requests to make reservations for the Winter 2019 season.

- 65% were assigned a top 3 preference
- 76% were assigned a top 6 preference
- 89.5% were assigned a top 15 preference
- 10.5% did not receive a top 15 preference

As you can see, of the 2,110 contracts that had reservation requests, 89% were awarded a top 15 preference.

In addition to allowing owners to place preference on check-in day, versus week, any owner who was not assigned one of their choices was automatically assigned a remaining check-in day for their ownership week. Of the 2,110 contracts represented in the assignment process, 186 were automatically assigned a check-in day, based on none of their preferences being available. Please note that priority during the next reservation round will be increased for those who did not receive one of their top choices. This will maintain our efforts to fairly distribute top choice check-in days amongst all Winter owners moving forward.

Owner Relations will continue to educate our Winter 2 bedroom and 3 bedroom owners on the GTL Annual Reservations System in an effort to increase the number of owners participating each year. Breckenridge Grand Vacations does understand that not all owners will be in favor of this reservation request and assignment process, and we are committed to listening closely and carefully to the feedback we receive from our owners. If at any time it is determined that the majority of owners are not satisfied with using the GTL Annual Reservations System, and/or if an even better system is identified, we will gladly collaborate with the GTLOA Board and Advisory Committee to ensure the best possible experience for our owners.

Discussion:

- In theory the highest achievable percentage could hit 100% of first choice results, as there are as many units as there are owners, and not all owners currently participate in the assignment process. But, there will always be a high demand for certain weeks such as Spring Break, so realistically not everyone will get their first choice(s) when so many want the same weeks.
- How could a “good” week be available when someone calls in after receiving a randomly assigned week? There is the possibility someone gave up their week they were reserved or there was an extra unit in a week that didn’t have the high demand. The unit that was requested may have been a two bedroom instead of a three bedroom. All these could lead to the 15-18 choices you may have made and not received any but once you call there were other options available.

INTERVAL INTERNATIONAL TRIP UPDATE:

At the invitation of Interval International (and on their dime), I went down to Miami to meet with a number of II executives, tour their facilities, and discuss issues/ideas.

I must say, they really rolled out the red carpet (see attached picture).

Overall, it was a busy but productive day. Learned quite a bit about the company. Found out that not only most of you and BGV think I'm an oddity, so does II 😊😊 (in a good way, I think...)

Below is a summary of the discussions held. *(Note – in addition to the names listed, David Callaghan, Soraya Gonzales, Chris McGill, and Alve Campbell were present for most of the meetings)*

Consumer Marketing (Sharon Freed, SVP Consumer Marketing) –

- Many exciting changes/updates coming for II members.
- Ability to search for trades by where, not only by when.
- Ability to search and makes trades via the Interval app.
- Similar to the airlines showing fares for “flexible dates”, we will soon get to see when our desired resort would be available if not during the original search window.
- I learned that II has a very strong privacy policy for its members, and takes very strong actions to limit customer touches (no pestering)
- II has spent a large sum on Focus Groups, which led to a discussion on their value.

Inventory Yield Management (Kevin Wutzler, SVP Inventory Yield Management) –

- Resorts are “alphabetized”, that is they are grouped into “A” properties, “B”, “C”, etc.
- If I understood correctly, as a result of our challenging the rating of GTL, we have been moved from a “B” up to an “A”! 😊😊
- Each deposit is discretely valued (more refined than CIG points) based upon factors such as: Site Surveys, Seasonality (TDI), Unit Type, Deposit Lead Time.
- We discussed the former trade fee structure... when members paid less to “self-serve” than to call II, but paid the “full-service” rate when using BGV assistance. I commented that I could understand the upcharge to pay for the II employee’s time, but why the same added fee when a BGV employee was used (whose salary is paid but “us” not II). The logic was the “unique” access given
- “exclusively” to BGV into the II systems. This honestly sounded eerily similar to some timeshare sales meetings I’ve attended, but I will take their word for it that we are the only resort group to have such access. Note – the fees are now the same for self-serve or full-service.
- The benefits of requesting a resort vs lurking in IntervalWorld for one to pop-up was emphasized. I suggested that learning points such as this would be best use of time at the GTLOA Annual Meetings!

Interval Executive Leadership (David Gilbert, President; Marcos Agostini, EVP Business Development) –

- Met the bosses

- Interval does NOT see itself, nor want to be seen, as an “exchange company”. Rather as a membership services company. As such, they are always looking for offerings to their members.
- Traded service offering ideas, including II making a deal with NetJets/MarquisJets...

Call Center Tour (Lucy Fuentefria, AVP Member and Travel Services; Allen Sherman, Director Interval Resort and Financial Services) –

- Saw firsthand how calls are handled.
- Saw how aging requests are followed-up with suggestions to help clear the list, and get folks on a vacation.
- Saw how some smaller resorts, and even larger resort groups, outsource their call center to II.

Wrap-up (David, Chris, Soraya, Alve) –

- All BGV reports come up on renewal at the same time, with NO auto-renewal
- Discussed reasons for exploring dual affiliation
 - Added flexibility for our owners
 - Attraction for resale
 - Why not???
- I explained there has not been a large push for dual affiliation, but we (GTLOA) need to explore all possibilities. I asked “what’s in it for us?” to remain exclusive to II. Chris asked if there was something specific I was looking for, and I assured him there was not. I explained a win-win would be great, and I’m not looking for a one-sided deal. What can be done for the benefit of both parties? Beneficial to GTL owners, while also increasing activity with II...
- In summary – the visit was a great step down the road of working together. While our focus as a Board and Advisory Committee is first and foremost on our property, we should also do what we can to benefit the overall “timeshare experience” of our membership... this includes advocating for highest trading power for GTL units, and best deals and travel opportunities for our owners who belong to II.

No discussion.

REVIEW CURRENT ACTION ITEMS:

#154 - When we send out the updated costs for Bonus Time, inform owners the rates haven’t changed in 5 years, why the cost went up and the multiple night discount is no longer and why.

- This was included in the newsletter sent on 3/9/18
 - o Recommend to close at the 4/23/18 Board meeting
 - o CLOSED 4/23/18

#155 - Bench mark other properties to what it costs to stay for a week at hotels to compare with the annual HOA dues.

[According to Hotels.com:](http://Hotels.com)

Studio rental, River Mountain Lodge, February 2019

\$321/night + fees x 7 nights = \$2,526 per week vs \$1,093 HOA for a GTL 2 Bedroom Lock Off

1 Bedroom rental, Village at Breckenridge, February 2019
\$415/night + fees x 7 nights = \$3,511 per week vs \$1,093 HOA for a GTL 2 Bedroom Lock Off

2 Bedroom rental, Main Street Station, February 2019
\$820/night + fees x 7 nights = \$6,734 per week vs \$1,093 HOA for a GTL 2 Bedroom Lock Off

- Seeking Board direction to include in newsletter or other method of communicating to owners.
- Due to the many variables that can affect the rental rates, this information will not be publicized but kept for reference.
 - o CLOSED 4/23/18

#156 - Put the link to the II presentation on Grand Central.

- This has been posted on Grand Central under the 2017 Annual Meeting minutes.
 - o Recommend to close at the 4/23/18 Board meeting
 - o CLOSED 4/23/18

#157 – Add an additional section in the board packet for Board and Advisory Committee members to add action items.

- This section has been added to the board packet template for all future meetings.
 - o Recommend to close at the 4/23/18 Board meeting
 - o CLOSED 4/23/18

#158 – Address appearance of Building 5 pool area ceiling.

- The vents in the Building 5 pool area have been cleaned and touched up with a fresh coat of paint. We have received proposals to replace the ceiling and grid with a material suitable for the wet environment in the area of \$40,000. We hope to fit this in the 2018 budget in order to pursue this project in the fall of 2018 but will incorporate it into the 2019 budget if necessary.
 - o In process
 - o UPDATE - Look into doing this in 2019 via reserves.

#159 – Research option for the LPBG grill exhaust vent for the unit as well as the building 5 exhaust stack on the west side.

- Research was done to address the noise concerns with the exhaust vents. Working with Roger Lemmon, it was determined that a “muffler” is not a great option at this point in the lifecycle of the boiler systems. As the systems are redesigned and replaced, noise and visual impacts will be an important consideration in the engineering process. Work is ongoing to determine what options are feasible to safely address the visual concerns of the Lodgepole ventilation and will resume once the snow and ice have melted off the roof for safety reasons.
 - o In process
 - o CLOSED 4/23/18 – will make sure keep this in mind once boilers are replaced down the road

#150 - Look into adding paint lines around the smoking areas to better designate them and no smoking signs to common areas.

- This was completed July 2017
 - o Recommend to close at the 4/23/18 Board meeting
 - o CLOSED 4/23/18

ACTION ITEMS FROM BOARD AND ADVISORY COMMITTEE:

None.

SUMMARY OF NEW ACTION ITEMS:

None.

COMMENTS TO/FROM STAFF:

Discussion of Facebook comments.

Confidentiality is requested with regards to amenities changes until the affected personnel can be properly notified.

NPS REPORTS:

GONPS – 70%, with 77% being promoters for the first quarter of 2018

GNPS – 63%, with 73% being promoters for the first quarter of 2018

TRIP ADVISOR:

#6 of 23 Hotels in Breckenridge.

DATE AND AGENDA ITEMS FOR NEXT BOARD MEETING:

- Monday, October 15th from 6pm – 8pm in Denver: Finance Committee Meeting
- Saturday, October 20th: GTLOA Board and Annual Meeting in Breckenridge
 - 8:15am – property tour – meet in GTL lobby
 - 9:30am – 11:30am – Board Meeting at Beaver Run Resort
 - 1:00 pm – Annual Meeting at Beaver Run Resort

ADJOURNMENT:

8:35PM by Gerrit Mahsman, seconded by Roger Lemmon.

