

**Grand Lodge on Peak 7 Owners' Association
Board of Directors and Advisory Committee Meeting Minutes
10/24/2024**

Attendance:

GL7OA Board Members: Linda Cole, Roger Lemmon, Mike Hedensten, Blake Davis, Nick Doran

Advisory Committee Members: Chuck Gamber, Garrett Miller, Jamie Keiffer, Bruce Vix, Angie Verburg, Ashley Bevan

BGV Staff: Joanni Linton, Peggy Helfrich, Joe Clark-Fulcher, Lindsay Reinwand, Amie Yoder, Kari Sommers, Faren McDonald, Dave Reinwand

Call to Order

By: Linda

Time: 2:04pm

BOARD ACTION REQUIRED

MOTION: TO APPROVE THE 4/6/2024 BOARD MEETING MINUTES.

MADE BY: MIKE HEDENSTEN

SECONDED BY: BLAKE DAVIS

DISCUSSION: NONE

IN FAVOR: ALL

OPPOSED: NONE

ABSTAIN: NONE

FINANCIALS / UPDATES
 GL70A UNAUDITED FINANCIALS

UNAUDITED FINANCIALS
 FOR
 GL70A AUGUST 2024

Following is the summary of the August YTD operating and reserve income and expenses. These financials were included in the 9/25/24 Missive.

Grand Lodge on Peak 7	Financial Summary			
	August 31, 2024			
	YTD	YTD	\$ Variance	% Variance
	<u>Actual</u>	<u>Budget</u>	<u>Fav (Unfav)</u>	<u>Fav (Unfav)</u>
<u>Operating:</u>				
Income	\$ 8,514,750	\$ 8,400,884	\$ 113,866	1%
Expenses	8,299,255	8,507,172	207,918	2%
Operating Surplus (Deficit)	215,496	(106,288)	321,784	303%
<u>Reserves: (Unit and Common)</u>				
Income	1,416,881	1,209,167	207,714	17%
Expenses	881,868	902,950	21,082	2%
Reserve Surplus (Deficit)	535,013	306,217	228,796	75%
Operating and Reserve Surplus (Deficit)	\$ 750,509	\$ 199,929	\$ 550,580	275%

Please keep in mind that adjustments made at year's end may affect the total fiscal year budget outcome.

BOARD ACTION REQUIRED

MOTION:
 TO ACCEPT THE GL70A AUGUST 2024 YTD UNAUDITED FINANCIALS

MADE BY: ROGER LEMMON
 SECONDED BY: MIKE HEDENSTEN
 DISCUSSION: NONE
 IN FAVOR: ALL
 OPPOSED: NONE
 ABSTAIN: NONE



GL70A
Fall 2024
Accounts Receivable
Update



GL7OA Summary Fall 2024:

97% of dues paid as of 10/1/24 (compared to 97% as of 10/1/23)

EOY 2023:

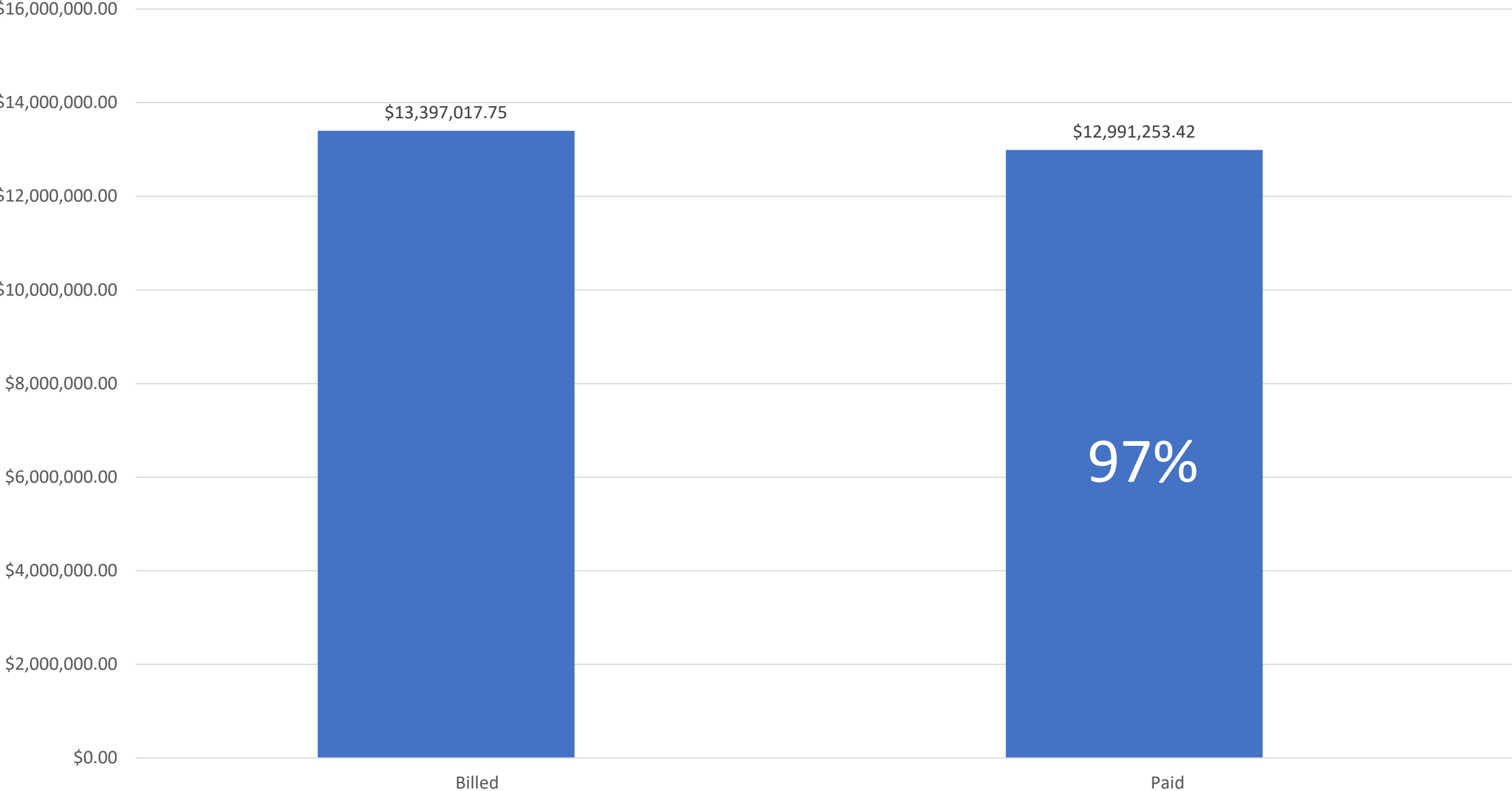
98% of dues paid

- 61 deeds recovered via BGVARM:
 - \$92,555 in bed debt (24 accounts with past due balances when canceled)
 - \$12,940 gained in deed in lieu income (9 accounts)

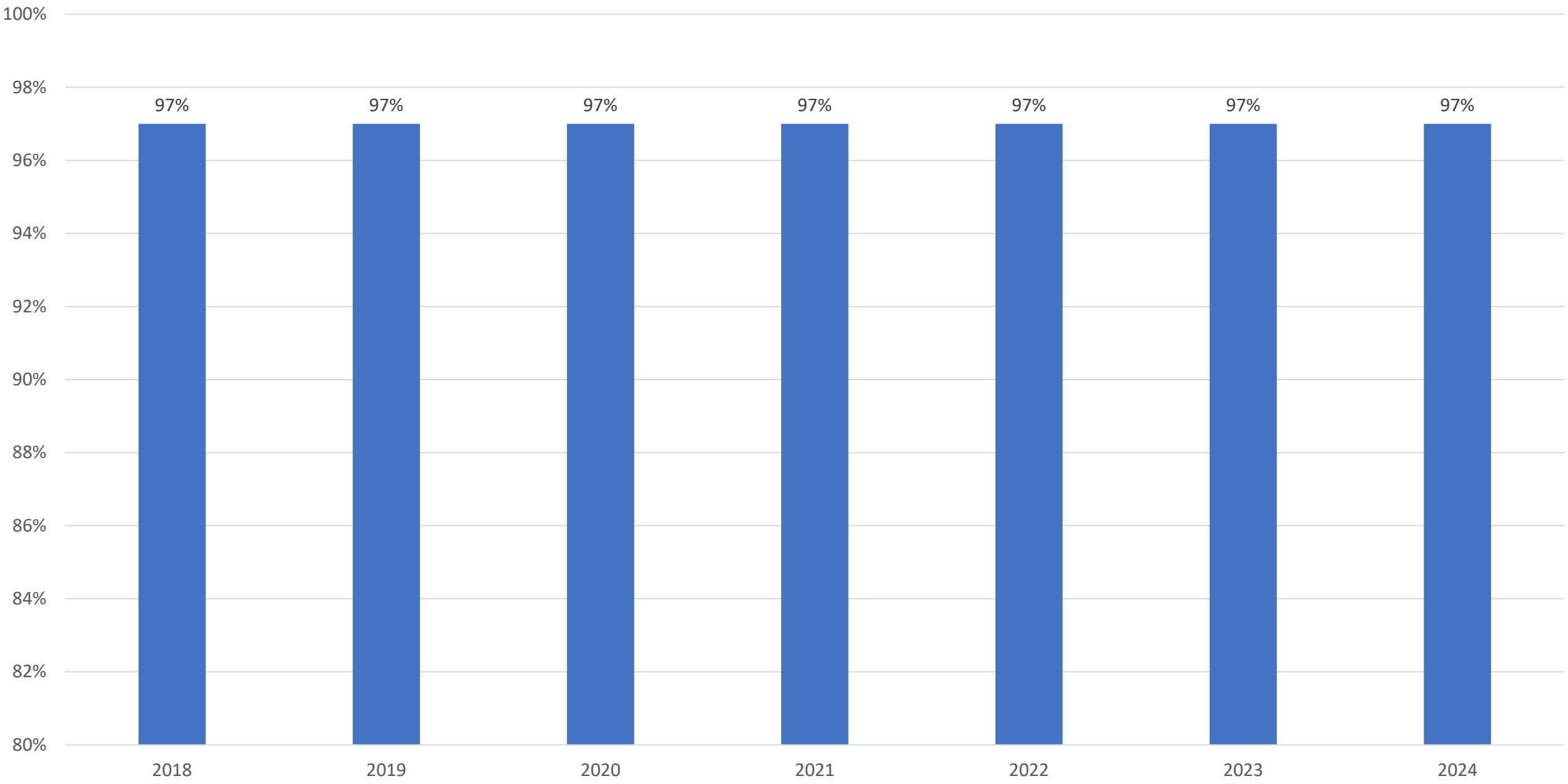
As of 10/1/24:

- 53 deeds recovered via BGVARM:
 - \$ 55,668 past due balance at the time of charge-off (22 accounts)
 - \$15,734 gained in deed in lieu income (10 accounts)

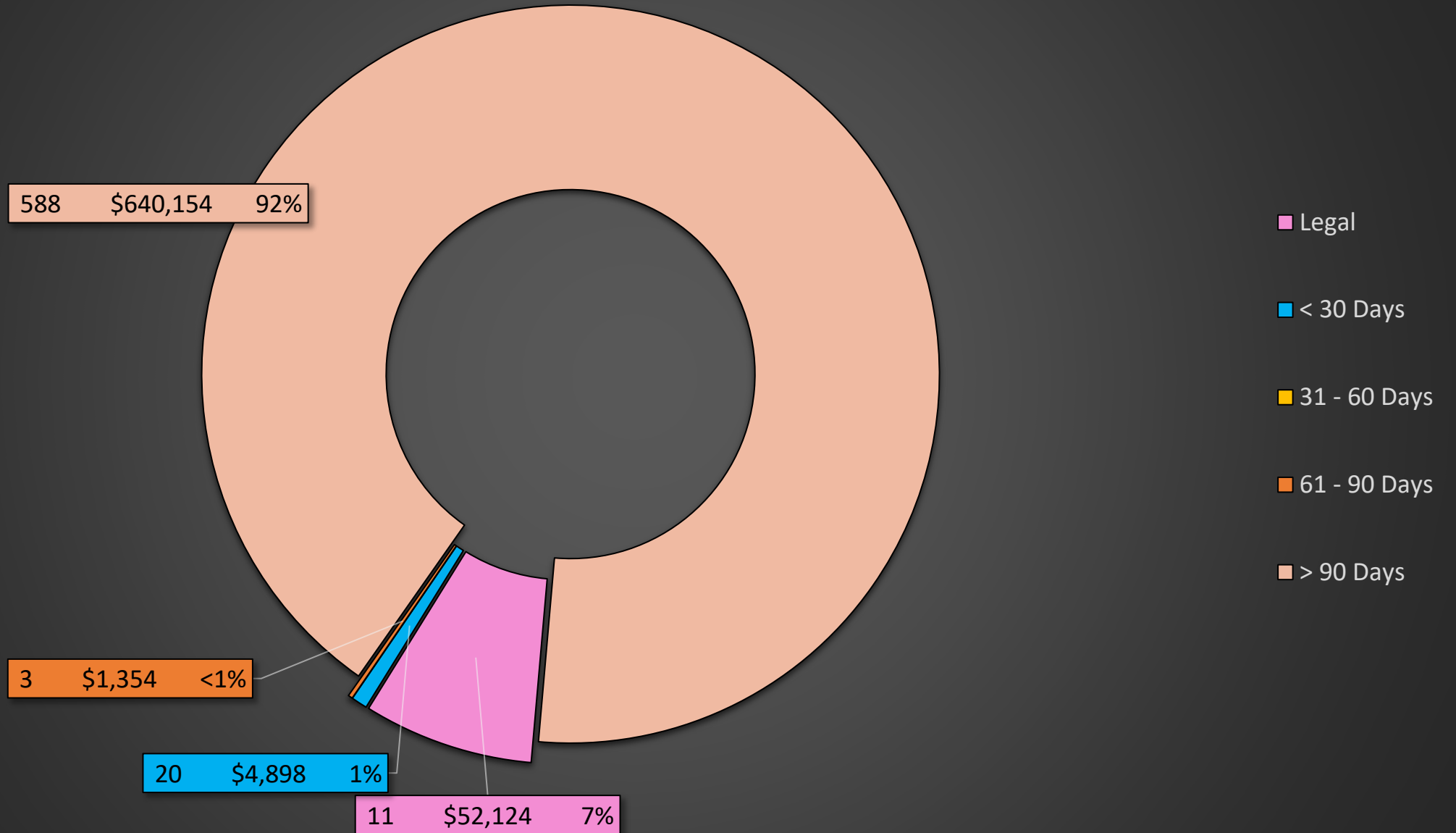
GLOA Dues Paid as of 10/1/24



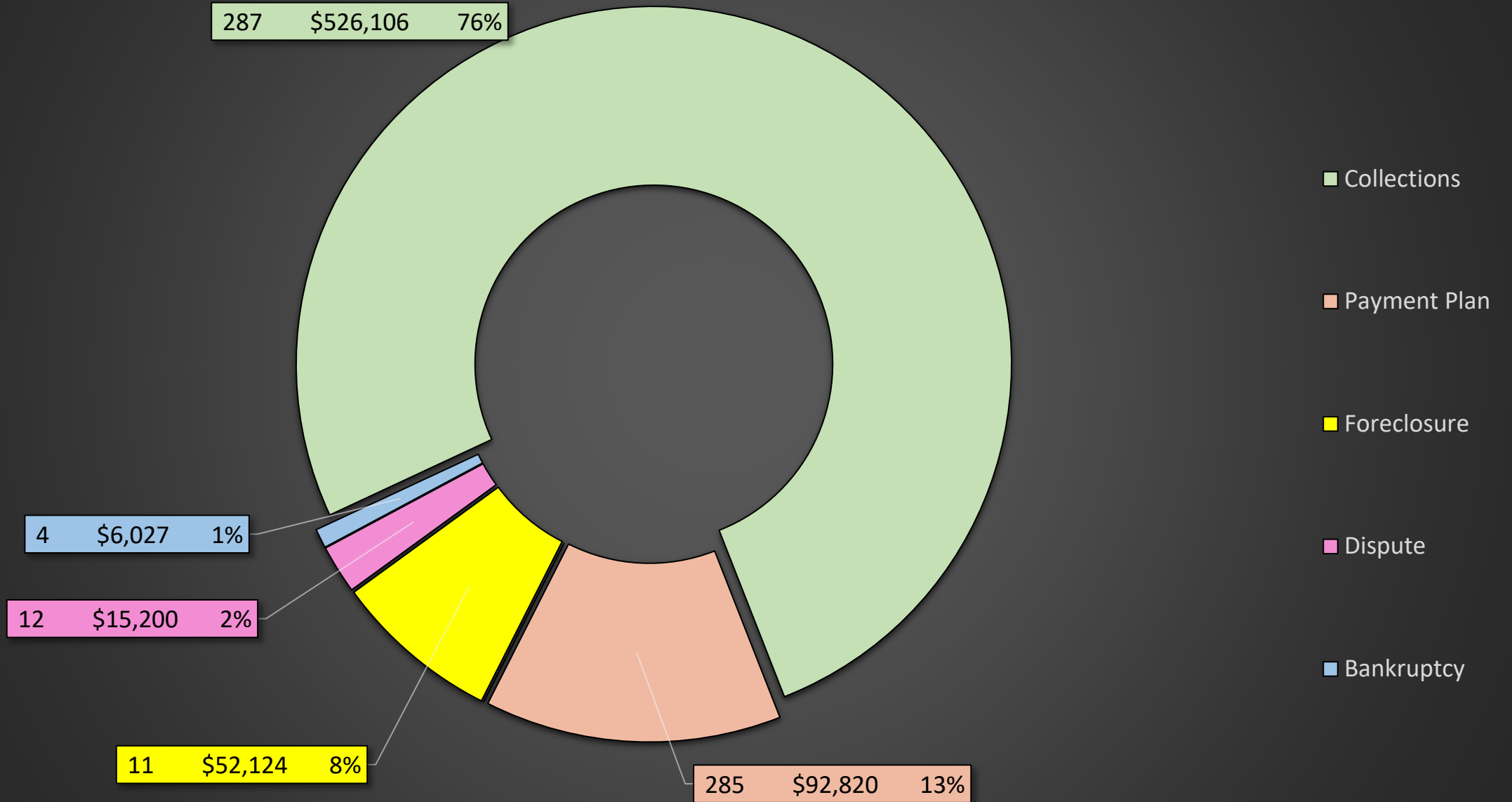
GL70A Dues Paid as of 10/1 (Year over Year)



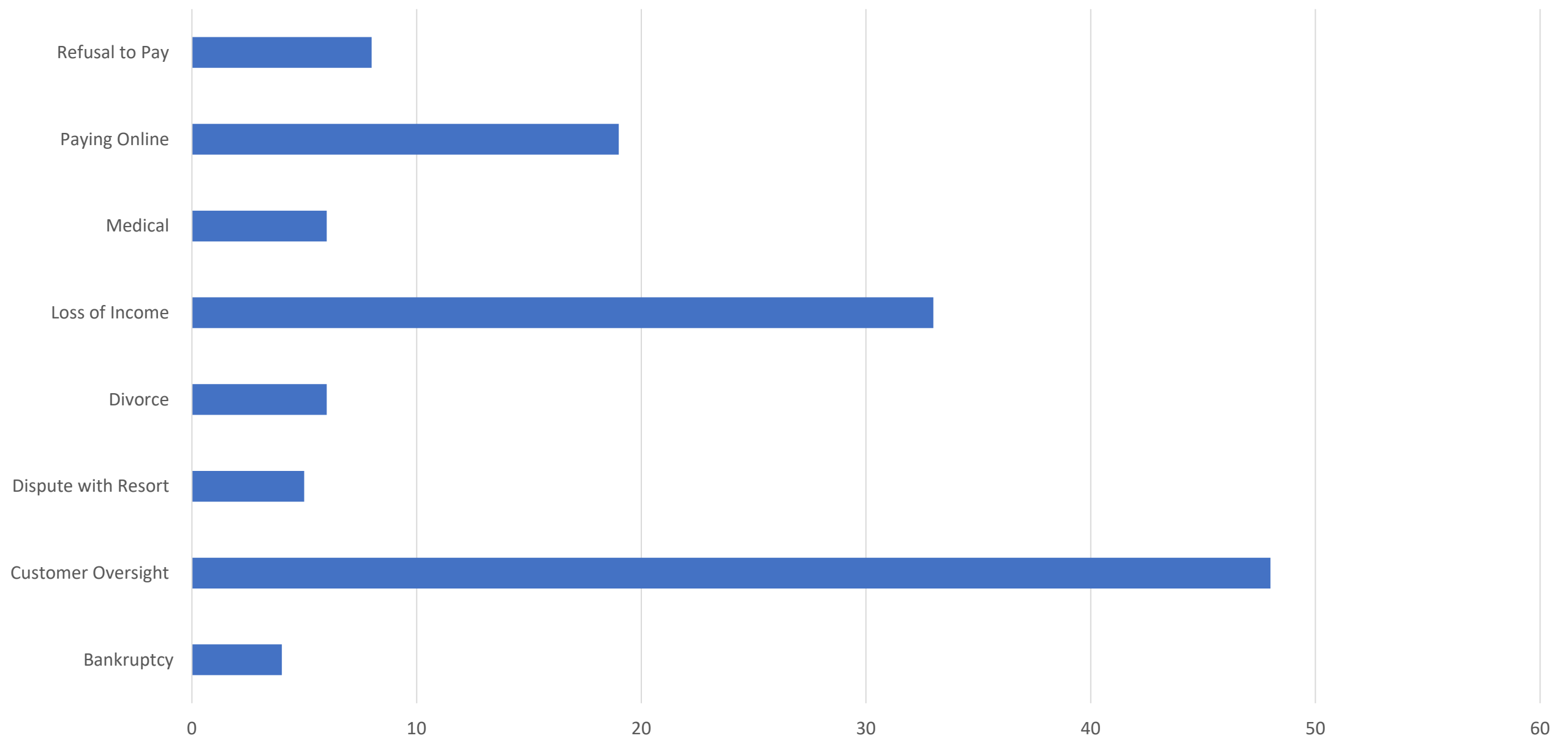
10/1/24 GL70A Total AR Portfolio Aging Composition



3/15/24 GL70A Greater Than 90 Days Past Due Composition



Reasons for Delinquency



Foreclosure List Approval

Per HB 22-1137, Board approval is required for the list of foreclosures below.

EXHIBIT 1

Inventory/Interval	Past Due Amount
1206D/23/A	\$7,618.16
2208D/34/E	\$4,276.39
2203A/44/E, 2205A/46/O, 2406C/19/A	\$2,263.72
2108C/48/A	\$2,963.98
1408A/2/O	\$2,499.95
1311CD/39/A	\$10,181.37
2108D/41/E	\$3,715.97 (Deceased)
1208A/41/A	\$7,271.48 (Deceased)
1310A/41/O	\$656.09 (Deceased)
2206B/41/A	\$1,030.05 (Deceased)
2306A/19/E	\$5,084.23
1310C/21/E	\$3,103.46
1206A/45/A	\$6,273.92
2206AB/46/O	\$1,202.60 (Attorney Dispute)
1203A/45/A	\$6,337.04 (Deceased)

BOARD ACTION REQUIRED

MOTION: TO APPROVE THE FORECLOSURE LIST AS PRESENTED.

MADE BY: ROGER LEMMON

SECONDED BY: BLAKE DAVIS

DISCUSSION: NONE

IN FAVOR: ALL

OPPOSED: NONE

ABSTAIN: NONE

Reserve Review

Reserve Study Review October 2024

Grand Lodge on Peak 7 2024 Common Expenditures					
Description	Budget	2024 Expenditure	Cost Variance	Variance Notes	Status
Garage Door Replacement and Garage Flooring	\$ 328,570	\$ 190,000	\$ 138,570	In Progress	In Progress
Building Mechanical Systems	\$ 128,412	\$ 36,041	\$ 92,371	Complete	Complete
Aquatics Equipment and Pool Resurfacing	\$ 125,244	\$ 205,009	\$ (79,765)	Complete	Complete
Exercise Equipment	\$ 123,600	\$ 127,308	\$ (3,708)	In Progress	In Progress
Exterior Paint - South Building	\$ 120,551	\$ 176,750	\$ (56,199)	Complete	Complete
Common Area Signage	\$ 107,659	\$ 107,659	\$ -	In Progress	In Progress
Housekeeping Closet and Supplies	\$ 98,498	\$ 85,997	\$ 12,501	Complete	Complete
Common Area Flooring	\$ 92,426	\$ 149,866	\$ (57,440)	Complete	Complete
Security System and Access Points	\$ 75,993	\$ 90,018	\$ (14,025)	Complete	Complete
Slide Replacement	\$ 54,913	\$ -	\$ 54,913	Deferred	Deferred
Elevator Door Operators	\$ 48,801	\$ 48,801	\$ -	Complete	Complete
Air Conditioning Replacements	\$ 43,775	\$ 43,775	\$ -	Complete	Complete
Common Area Trim Replacement - Portion	\$ 32,781	\$ 10,000	\$ 22,781	In Progress	In Progress
Grill Replacement	\$ 30,710	\$ 30,710	\$ -	In Progress	In Progress
Fence Replacement	\$ 30,292	\$ -	\$ 30,292	Deferred	Deferred
Common Area Furniture	\$ 29,149	\$ 29,149	\$ -	In Progress	In Progress
Electric Vehicle Ports	\$ 25,750	\$ -	\$ 25,750	Deferred	Deferred
Grand Entrance Door Replacement	\$ 21,218	\$ -	\$ 21,218	Deferred	Deferred
Contingency	\$ 20,000	\$ 20,000	\$ -	In Progress	In Progress
Theater Seating - South Building	\$ 18,460	\$ 19,000	\$ (540)	Complete	Complete
Gutter/Downspouts - Annual Replacement	\$ 6,556	\$ 6,556	\$ -	Complete	Complete
Locker Locks	\$ -	\$ 38,011	\$ (38,011)	Rollover project	Complete
Electronic Bike Battery Storage	\$ -	\$ 3,744	\$ (3,744)	Purchased with savings from other projects	Complete
CO detectors in garage	\$ -	\$ 122,922	\$ (122,922)	Purchased with savings from other projects	Complete
TV System Upgrade	\$ -	\$ 46,208	\$ (46,208)	Rollover project	Complete
Roof Inspection	\$ -	\$ 12,000	\$ (12,000)	Purchased with savings from other projects	Complete
	\$ 1,563,358	\$ 1,599,524	\$ (36,166)		

Grand Lodge on Peak 7 2024 Unit Expenditures					
Description	Budget	2024 Expenditure	Cost Variance	Variance Notes	Status

Paint	\$ 83,430	\$ -	\$ 83,430	Deferred	Deferred
Appliances	\$ 79,490	\$ 79,490	\$ -	In Progress	In Progress
Balcony Chairs and Tables - South Building	\$ 61,721	\$ 74,305	\$ (12,584)	Complete	Complete
CO Detectors	\$ 39,685	\$ 34,500	\$ 5,185	In Progress	In Progress
Master Bedroom - Sitting Chair North Building	\$ 30,529	\$ 30,200	\$ 329	Complete	Complete
Contingency	\$ 15,000	\$ 15,000	\$ -	In Progress	In Progress
Bedroom Pillows	\$ 9,155	\$ 9,155	\$ -	Complete	Complete
Entry Bench - PAR	\$ 4,797	\$ -	\$ 4,797	Deferred	Deferred
Ottomans	\$ 3,924	\$ -	\$ 3,924	Deferred	Complete
Mirrors	\$ -	\$ 85,081	\$ (85,081)	In progress	In Progress
Total	\$ 327,731	\$ 327,731	\$ -		

Grand Lodge on Peak 7 2025 Common Expenditures	
Description	Budget
Common Area Flooring	\$ 220,733
Interior Paint	\$ 163,909
Common Area Furniture	\$ 89,572
Trash Compactor	\$ 80,865
Skidsteer	\$ 72,100
Putting Green Replacement	\$ 61,800
Ski Locker Lock Replacements	\$ 57,938
Sports/Golf Simulator	\$ 56,650
Theater Projector Replacements	\$ 41,200
Housekeeping Closet and Carts	\$ 37,932
Building Mechanical Systems	\$ 32,216
Gutter/Downspouts - Annual Replacement	\$ 30,900
Contingency	\$ 30,000
Lower Hot Tub Resurfacing	\$ 26,862
Electric Vehicle Ports	\$ 26,523
Sauna Interior Replacements	\$ 24,200
Aquatics Area Window Replacements	\$ 16,392
Air Conditioning Replacements	\$ 15,450
Lobby Music System Upgrade	\$ 15,450
Ice Machine Replacements	\$ 13,112
	\$ 1,113,804

Grand Lodge on Peak 7 2025 Unit Expenditures

Description	Budget
Living Room Furniture - South Building	\$ 519,594
Unit Carpet - South Building	\$ 402,403
Air Conditioner Replacements - portion	\$ 141,625
Appliances	\$ 87,756
Balcony Furniture - North Building	\$ 50,264
Television Replacements - portion	\$ 41,200
Contingency	\$ 15,000
Bedroom Pillows	\$ 9,430
Entry Bench Replacements	\$ 3,949
	\$ 1,271,220

The March Group

350 Tenth Ave. – Suite 1000
San Diego, CA 92101



THE MARCH GROUP

"Helping You Build A Firm Financial Foundation For Your Future"

Nico F. March

Managing Director

CA Insurance License OA62786

T 888-811-6501 | F 619-704-3099

Nico@themarchgroup.com

Dear GL7OA Board and Advisory Committee,

We are writing to provide an update on the current economic environment and how your investment portfolio is positioned in light of recent developments. As we move through the end of 2024, the U.S. economy continues to face a complex mix of challenges and opportunities. Inflation remains a central concern, driven by lingering supply chain disruptions, fluctuating energy prices, and strong consumer demand. Policymakers, including the Federal Reserve, are carefully managing these dynamics, with the Fed forecasting additional interest rate cuts this year to help stabilize growth.

Given the Fed's rate outlook, we have positioned the portfolio to take advantage of the current interest rate environment by exploring longer-duration investment vehicles.

For the Association's finances, our priorities remain clear: first, the safety of principal; second, liquidity; and third, return on investment. As the cowboy philosopher Will Rogers famously said in the 1930s, "I am more concerned today about the return of my money than the return on my money." In our view, this approach aligns with the fiduciary responsibility of the Board, which must manage Other People's Money (OPM) conservatively to safeguard assets.

As your fiduciary partner, we remain committed to following the investment policy developed at the outset of our relationship, ensuring that all funds are FDIC-insured or government-backed at all times. This conservative strategy helps protect your portfolio, regardless of market conditions.

As of now, Grand Lodge on Peak 7's portfolio is well-positioned for the end of the year and going into 2025. Approximately 74% of the portfolio is allocated to short-term Treasury Bills, yielding approximately 4.55%. The remaining 26% is invested in intermediate-term Market Linked CDs (MLCDs). These Market Linked CDs, which are FDIC-insured up to \$250,000 per issuer, provide a hedge against inflation, as their returns are tied to the performance of market indices such as the S&P 500 or Dow Jones Industrial Average. While these positions may fluctuate in value with the markets, they are designed to protect principal if held to maturity. Should we see significant gains in these positions, we will consider locking in profits at no additional cost or fees to the Association. Below is a breakdown of the current investments held as of 9/23/24:

\$1,168,000 US Treasury – 4.796% maturing 12/10/24
\$613,000 US Treasury – 4.340% maturing 3/13/25
\$920,000 US Treasury – 4.351% maturing 3/13/25
\$480,000 US Treasury – 4.796% maturing 12/10/24
\$303,000 US Treasury – 4.298% maturing 8/7/25

\$250,000 Market Linked CD – 0.00% maturing 6/29/28
\$250,000 Market Linked CD – 0.00% maturing 6/29/28
\$250,000 Market Linked CD – 0.00% maturing 6/30/28
\$200,000 Market Linked CD – 0.00% maturing 1/31/29
\$250,000 Market Linked CD – 0.00% maturing 6/5/29

Please feel free to reach out to us with any questions at 888-811-6501.

Very truly yours,

Nico F. March
Managing Director

Proposed GL7OA 2025 Summary and Budget

Grand Lodge on Peak 7 Owners’ Association Proposed 2025 Budget Summary

General Summary

Total Proposed 2025 GL7OA Owner Assessment: \$14,960,791 (8.3% increase worth \$1,144,451).

GL7OA began 2024 with an audited Operating Fund Balance of \$10K. For 2024, GL7OA is projecting an Operating Fund deficit of \$211K. The approved 2024 budget included an approved \$400K reduction in the Unit Reserve Fund but this full amount is not forecasted to be entirely utilized.

To address the forecasted year-end 2024 GL7OA Operating Fund deficit and ensure appropriate funding from all ownership types, we recommend the following approach:

- Utilize the \$10K prior year Operating Fund surplus
- The remaining deficit will be funded as follows:
 - 52% paid from the Common Reserve Fund
 - 48% paid from the Residential Reserve Fund

Given that the association will have no retained earnings or surplus at the end of 2024, the proposed 2025 GL7OA budget does not include any Operating Fund Surplus reduction.

Grand Lodge on Peak 7 Owners Association		Operating Fund		
		Budget	Forecast	Variance
Operating Fund Rollforward:				
2023 Ending Operating Fund - audited		\$ 10,207	\$ 10,207	\$ -
2024 Reserve Fund Contribution - budgeted		400,000	200,483	(199,517)
			-	
2024 Excess (Deficiency) of Revenues				
Over Expenses - forecasted		-	(210,690)	(210,690)
2024 Ending Operating Fund		<u>\$ 410,207</u>	<u>\$ -</u>	<u>\$ (410,207)</u>

The primary reasons for the proposed 2025 GLOA budget expense increases are due to variables in the line items below.

- Insurance- The 2024 forecasted insurance expense is approximately \$42K or 6% higher than the 2024 budget. The premium is expected to increase again in 2025. The proposed 2025 budgeted insurance expense reflects a 15% increase from the 2024 policy. However, there is a potential for even higher increases. The insurance consultant has indicated that premiums could increase by as much as 30% in certain segments of the association’s insurance package, while other segments may remain flat.

- Natural Gas- As the current five-year contract for natural gas at all three of BGV’s managed resorts ends in 2024, the available fixed pricing for 2025 reflects a \$71K or 38.7% increase over 2024 budget.
- Owner Relations- The 2024 forecast is flat to the 2024 budget. The 2025 budget increase to the 2024 budget is GL7's allocation of the Owner Relations Department primarily due to more accurate calculations for a total increase of \$138K and 11.4%.

New this year, an Income Tax line has been added to the 2025 budget. The association is forecasting an income tax liability of approximately \$70K for 2024 based on 2023 actuals. Due to increased interest income from both operating and reserve cash accounts, as well as gains realized from investments, the association is now including this line item in the 2025 budget. This reflects the new reality of taxable income due to increased financial returns. The interest income has far exceeded expectations, which has been a benefit to the 2024 forecast and 2025 budget.

Please refer to the table on the next page for material variances over \$20K and 10%.

Dues Comparison:

<u>Dues Allocation</u>	<u>2024 Dues</u>	<u>2025 Proposed</u>	<u>Dues Increase</u>	<u>Dues % Increase</u>
Two Bedroom Annual	\$ 2,263.72	\$ 2,448.96	\$ 185.24	8.2%
Total Commercial	\$ 158,904.91	\$ 182,767.00	\$ 23,862.09	15.0%
Whole Ownership	\$ 31,636.90	\$ 38,050.24	\$ 6,413.34	20.3%

BOARD ACTION REQUIRED

MOTION: TO APPROVE THE PROPOSED GL7OA 2025 BUDGET.

MADE BY: MIKE HEDENSTEN

SECONDED BY: BLAKE DAVIS

DISCUSSION: THE MAIN FACTORS DRIVING THE INCREASE IN DUES INCLUDING INSURANCE AND NATURAL GAS WERE DISCUSSED, AS WELL AS KEEPING GL7’S ELITE STATUS WITH INTERVAL INTERNATIONAL. MIKE STATED THAT THE INCREASE FOR THIS YEAR IS VERY REASONABLE AND THE PROPOSED 2025 BUDGET IS APPROVED.

IN FAVOR: ALL

OPPOSED: NONE

ABSTAIN: NONE

Grand Lodge on Peak 7 Owners Association

2024 Actual & Forecast/Budget

Intaact GL#	Old Acct #	12/31/2024		Favorable	Var %
		YTD Forecast	12/31/2024 Budget	(Unfav) from Budget	
Revenue					
58000	5010-00 Owner Assessment Inc	\$ 13,800,585	\$ 13,816,341	\$ (15,756)	-0.1%
58010	5011-00 Cash Discount	(319,909)	(319,157)	(751)	0.2%
58040	5040-00 Late Fee Income	165,687	152,413	13,274	8.7%
58070	5065-00 Vacation Experience Fee Income	171,815	184,102	(12,287)	0.0%
58090	5066-00 Rental Resort Fee Income	535,506	524,126	11,381	2.2%
58100	5070-00 Misc. Income	64,259	87,000	(22,741)	-26.1%
58110	5071-00 Ski Locker Income	2,750	3,500	(750)	-21.4%
58050	5075-00 Deed in Lieu Income	7,728	18,000	(10,272)	-57.1%
51610	5090-00 Interest Income	201,385	15,305	186,080	1215.8%
51611	5089-00 Gain/Loss Investment	(408)	0	(408)	-
Total Revenue		14,629,398	14,481,629	147,769	1.0%

Expenses

76000	7245-00 Income Taxes	70,000	-	(70,000)	-100%
76140	7030-00 Common Area Amenities	132,669	128,167	(4,502)	-3.5%
76530	7031-00 Dues & Subscriptions	27,135	23,865	(3,270)	-13.7%
76150	7040-00 Water and Sanitation	205,113	189,671	(15,442)	-8.1%
76160	7050-00 Satellite / Cable TV	28,824	33,681	4,858	14.4%
76170	7055-00 Elevator Maintenance	64,545	57,965	(6,579)	-11.4%
76180	7060-00 Trash Removal	27,255	30,195	2,941	9.7%
76200	7065-00 Recycling/Compost	23,751	29,670	5,919	19.9%
76205	7070-00 Hot Tub / Pool Supply	77,331	84,800	7,469	8.8%
76210	7090-00 Snow Removal	1,420	2,500	1,080	43.2%
76215	7100-00 Fire Alarm Service	29,096	31,660	2,564	8.1%
76225	7120-00 Management Fee	1,126,212	1,126,213	0	0.0%
76235	7135-00 Dues Payment Servicing	92,785	73,412	(19,373)	-26.4%
76245	7141-00 Owner Relations Fee	1,208,820	1,208,820	(0)	0.0%
76250	7142-00 Guest Services	1,083,418	1,079,646	(3,773)	-0.3%
76265	7146-00 Resort Ops	564,367	547,866	(16,501)	-3.0%
76270	7147-00 BGV Ops Fee	186,423	186,423	0	0.0%
76275	7148-00 Activities	53,761	29,327	(24,434)	-83.3%
76290	7160-00 HOA Meetings & Receptions	5,184	6,620	1,436	21.7%
76510	7190-00 Insurance	797,473	755,509	(41,964)	-5.6%
76335	7202-00 Bank Service Charge	2,845	-	(2,845)	-100%
76325	7200-00 Professional Fees	16,459	25,409	8,950	35.2%
76236	7201-01 Audit/Tax & Reserve Expense	17,750	17,750	-	0.0%
76535	7220-00 Credit Card Fees	102,669	95,333	(7,336)	-7.7%

2025 Budget vs. 2024 Budget & 2024 Forecast

Proposed 2025 Budget	% of Total Dues	2024 Budget	2025 Budget To 2024 Budget		2024 Forecast	2025 Budget To 2024 Forecast		NOTES - Incr/Decr vs Budget/Fcst for all variances over 20K and 10%
			\$'s	%'s		\$'s	%'s	
\$ 14,960,791		\$ 13,816,341	\$ 1,144,451	8.3%	\$ 13,800,585	\$ 1,160,207	8.4%	The budget increase is the net aggregate of income and expenses, explained in detail below.
(335,904)	2.2%	(319,157)	(16,747)	-5.2%	(319,909)	(15,995)	-5.0%	
170,657	-1.1%	152,413	18,244	12.0%	165,687	4,971	3.0%	
222,133	-1.5%	184,102	38,031	20.7%	171,815	50,318	29.3%	The 2025 budget to 2024 budget is increasing due to anticipated new terms with Interval International.
540,186	-3.6%	524,126	16,061	3.1%	535,506	4,680	0.9%	
70,222	-0.5%	87,000	(16,778)	-19.3%	64,259	5,963	9.3%	
-	0.0%	3,500	(3,500)	-100.0%	2,750	(2,750)	-100.0%	The 2025 budget line/item has been moved to Misc income
7,728	-0.1%	18,000	(10,272)	-57.1%	7,728	-	0.0%	
199,371	-1.3%	15,305	184,066	1202.7%	201,385	(2,014)	-1.0%	The 2024 forecast is favorable to 2024 budget due to the increase in interest income on operating accounts as well as additional investment gains.
1,080	0.0%	-	1,080	100.0%	(408)	1,488	364.9%	There was no budget line for this account in 2024. There was a small investment loss in early 2024, reflected in the 2024 forecast. The 2025 budget increase to 2024 forecast is a function to the total dues increase.
15,836,265	-5.9%	14,481,629	1,354,636	9.4%	14,629,398	1,206,867	8.2%	

69,300	0.5%	-	69,300	100.0%	70,000	(700)	-1.0%	There was no budget line for this account in 2024. Due to the volume of Interest Income earned in 2024, income tax expense will be paid in December 2024. The 2025 budget increase to 2024 is a function of the total dues increase.
125,847	0.8%	128,167	(2,320)	-1.8%	132,669	(6,822)	-5.1%	
27,965	0.2%	23,865	4,099	17.2%	27,135	829	3.1%	
220,701	1.5%	189,671	31,030	16.4%	205,113	15,589	7.6%	The 2025 budget increase to 2024 budget is due to increased water and sanitation rates.
29,646	0.2%	33,681	(4,035)	-12.0%	28,824	822	2.9%	
76,283	0.5%	57,965	18,318	31.6%	64,545	11,739	18.2%	
29,980	0.2%	30,195	(215)	-0.7%	27,255	2,725	10.0%	
26,126	0.2%	29,670	(3,544)	-11.9%	23,751	2,375	10.0%	
81,197	0.5%	84,800	(3,603)	-4.2%	77,331	3,866	5.0%	
2,625	0.0%	2,500	125	5.0%	1,420	1,205	84.9%	
29,582	0.2%	31,660	(2,078)	-6.6%	29,096	486	1.7%	
1,340,969	9.0%	1,126,213	214,756	19.1%	1,126,212	214,757	19.1%	The 2025 budget increase to 2024 budget is due to the parameters of the illustrative annual budget and management fee schedule. Calculation of the management fee does not include the management fee itself.
133,356	0.9%	73,412	59,945	81.7%	92,785	40,572	43.7%	The 2025 budget to 2024 budget increase is due to the combination of the collection expense account below with the dues payment servicing account.
1,346,578	9.0%	1,208,820	137,758	11.4%	1,208,820	137,758	11.4%	The 2025 budget increase to 2024 budget is due primarily to a more accurate calculation of the Owner Relations Department allocation for GL7.
1,108,658	7.4%	1,079,646	29,012	2.7%	1,083,418	25,239	2.3%	
574,331	3.8%	547,866	26,465	4.8%	564,367	9,964	1.8%	
177,657	1.2%	186,423	(8,766)	-4.7%	186,423	(8,766)	-4.7%	
24,587	0.2%	29,327	(4,739)	-16.2%	53,761	(29,174)	-54.3%	The 2024 forecast is unfavorable to 2024 budget is due to increased benefit usage and employee retention.
1,900	0.0%	6,620	(4,720)	-71.3%	5,184	(3,284)	-63.3%	
908,192	6.1%	755,509	152,683	20.2%	797,473	110,720	13.9%	The 2025 increase to 2024 budget is due to estimates up to 30% increases in certain insurance lines while others may remain flat, per the insurance carrier. The 2025 budget is currently at 15% increase to 2024 policy.
4,200	0.0%	-	4,200	100.0%	2,845	1,355	47.6%	
27,160	0.2%	25,409	1,751	6.9%	16,459	10,701	65.0%	The 2024 forecast is favorable to 2024 budget due to moving the Audit/Tax & Reserve Expense to a new line item for accurate allocation purposes.
17,750	0.1%	17,750	-	0.0%	17,750	-	0.0%	
110,243	0.7%	95,333	14,911	15.6%	102,669	7,574	7.4%	

Grand Lodge on Peak 7 Owners Association

2024 Actual & Forecast/Budget

Intaact GL#	Old Acct # Revenue	12/31/2024		Favorable	Var %
		YTD Forecast	YTD Budget	(Unfav) from Budget	
76500	7240-00 Property Tax	805,914	798,731	(7,183)	-0.9%
76010	7260-00 Keys/Postage/Printing/Production	84,412	67,629	(16,783)	-24.8%
76130	7360-00 Common Area Cleans	1,508,947	1,522,695	13,749	0.9%
76050	7370-00 Landscaping	18,778	21,920	3,142	14.3%
76060	7390-00 Bad Debt	86,000	86,000	-	0.0%
76070	7391-00 Employee Housing Reimbursement	46,899	46,901	2	0.0%
76480	7400-00 Collection Expense	40,239	49,720	9,481	19.1%
76090	7415-00 Wi-Fi Services	37,852	38,314	462	1.2%
76320	7420-00 Unit Phones	7,903	6,488	(1,414)	-21.8%
76340	7430-00 Unit Electric	275,886	346,740	70,854	20.4%
76345	7431-00 Unit Gas	155,747	185,163	29,416	15.9%
76355	7440-00 Unit Cleaning	2,466,130	2,594,626	128,495	5.0%
76370	7446-00 Engineering	1,255,744	1,258,658	2,914	0.2%
76445	7460-00 BMMA Dues	102,408	94,236	(8,172)	-8.7%
76450	7462-00 TOB BOLT & AURF Fees	185,555	185,555	0	0.0%
81000	8010-00 Unit Resv Fund Assm	960,217	959,008	(1,209)	-0.1%
81140	8110-00 Common Resv Fund Assm	856,151	854,742	(1,409)	-0.2%
77000	1000-00 Common Reserve Fund Reduction	(109,397)	-	109,397	-
77000	1010-00 Unit Reserve Fund Reduction	(101,293)	(400,000)	(298,707)	-
Total Expense		14,629,398	14,481,629	(147,769)	-1.0%
Net Income /(Loss)		\$ -	\$ -	(0.00)	0.0%

2025 Budget vs. 2024 Budget & 2024 Forecast

Proposed 2025 Budget	% of Total Dues	2024 Budget	2025 Budget To 2024 Budget		2024 Forecast	2025 Budget To 2024 Forecast	
			\$'s	%'s		\$'s	%'s
813,973	5.4%	798,731	15,242	1.9%	805,914	8,059	1.0%
55,655	0.4%	67,629	(11,974)	-17.7%	84,412	(28,757)	-34.1%
1,461,423	9.8%	1,522,695	(61,272)	-4.0%	1,508,947	(47,524)	-3.1%
20,656	0.1%	21,920	(1,264)	-5.8%	18,778	1,878	10.0%
90,300	0.6%	86,000	4,300	5.0%	86,000	4,300	5.0%
41,136	0.3%	46,901	(5,765)	-12.3%	46,899	(5,763)	-12.3%
-	0.0%	49,720	(49,720)	-100.0%	40,239	(40,239)	-100.0%
37,787	0.3%	38,314	(527)	-1.4%	37,852	(65)	-0.2%
6,210	0.0%	6,488	(278)	-4.3%	7,903	(1,693)	-21.4%
268,777	1.8%	346,740	(77,963)	-22.5%	275,886	(7,109)	-2.6%
256,812	1.7%	185,163	71,649	38.7%	155,747	101,065	64.9%
2,762,314	18.5%	2,594,626	167,689	6.5%	2,466,130	296,184	12.0%
1,286,523	8.6%	1,258,658	27,865	2.2%	1,255,744	30,780	2.5%
107,528	0.7%	94,236	13,292	14.1%	102,408	5,120	5.0%
185,555	1.2%	185,555	0	0.0%	185,555	0	0.0%
1,010,832	6.8%	959,008	51,824	5.4%	960,217	50,615	5.3%
935,949	6.3%	854,742	81,207	9.5%	856,151	79,798	9.3%
-	0.0%	-	-	0.0%	(109,397)	109,397	-100.0%
-	0.0%	(400,000)	400,000	-100.0%	(101,293)	101,293	-100.0%
15,836,265	105.9%	14,481,629	1,354,636	9.4%	14,629,398	1,206,867	8.2%
\$ -		\$ -	\$ -		\$ -	\$ -	

The 2025 decrease to 2024 budget is due to consolidating accounts with Dues Payment Services.

The 2024 favorable forecast and 2025 budget decrease to 2024 budget is due our partnership with Pivot Energy solar gardens. The 2024 forecast favorable variance to 2024 budget is based on increased efficiencies with the snowmelt system. The 2025 increase to 2024 budget is due to the expiration of the current natural gas contract and the subsequent need to secure new pricing at a higher rate.

This is the forecasted Common Reserve funding needed to pay 52% of the forecasted 2024 deficit. Nothing to budget for in 2025.

This is the forecasted Unit Reserve funding needed to pay 48% of the forecasted 2024 deficit. Nothing to budget for in 2025.

Strategic Budget Plan

As agreed upon in previous years, we have updated the GL7OA allocated General and Administrative expenses as well as the Illustrative Example of Management Fees for 2025. As you may recall, a multi-year strategy has been designed which includes a Memorandum of Understanding as well as the Illustrative Example of the GL7OA Budget and Management Fees.

GL7 General and Administrative Expenses				
	GL7 2025	GL7 2024	\$ Variance	% Variance
Accounting	166,818	158,386	8,432	5.3%
Accounts Receivable Mgmt	135,935	125,099	10,836	8.7%
Analytics	23,553	34,404	(10,851)	-31.5%
Compliance	57,067	57,119	(52)	-0.1%
Contracts	9,343	8,590	753	8.8%
Creative Services	6,590	5,624	966	17.2%
Employee Experience	80,738	85,467	(4,729)	-5.5%
Human Resources	275,394	265,474	9,920	3.7%
Information Technology	534,908	496,699	38,209	7.7%
Sustainability	50,623	52,736	(2,112)	-4.0%
Subtotal	1,340,969	1,289,597	51,372	4.0%
HOA Budgeted Management Fee	(1,340,969)	(1,126,213)	(214,756)	19.1%
Total G&A Developer Contribution	\$ -	\$ 163,385	\$ (163,385)	-100.0%

Illustrative Example																	
GL70A Annual Budget and Mgmt Fees																	
2016 - 2029																	
Illustrative 8yr Cover of Allocated G&A Expenses																	
		4.0%	Management Fees			Uncovered											
		Allocated	Mgmt	% Increase	% of	(Recovered)			Incremental		Annual	Total Dues		Mgmt Fee		All Other Exp	
Year	Year #	G&A Exps	Fees	Mgmt Fees	Budget	G&A Expenses	% Uncovered	% Covered	% Recovered		Budget	\$ Incr	% Incr	\$ Incr	% Incr	\$ Incr	% Incr
2016											\$ 7,964,875						
2017											\$ 8,601,601	\$ 636,726	8.0%				
2018											\$ 9,022,918	\$ 421,317	4.9%				
2019											\$ 9,471,550	\$ 448,632	5.0%				
2020			\$ 335,923		3.4%						\$ 9,891,579	\$ 420,029	4.4%				
2021	0	\$ 1,026,396	\$ 511,865	52.4%	4.9%	\$ 514,531	50.1%	49.9%			\$ 10,422,694	\$ 531,115	5.4%	\$ 175,942	1.8%	\$ 355,173	3.6%
2022	1	\$ 1,207,590	\$ 753,175	47.1%	6.6%	\$ 454,415	37.6%	62.4%	12.5%		\$ 11,373,122	\$ 950,428	9.1%	\$ 241,310	2.3%	\$ 709,118	6.8%
2023	2	\$ 1,486,456	\$ 1,112,911	47.8%	8.6%	\$ 373,545	25.1%	74.9%	12.5%	50.1%	\$ 12,909,805	\$ 1,536,683	13.5%	\$ 359,736	3.2%	\$ 1,176,947	10.3%
2024	3	\$ 1,289,597	\$ 1,126,213	1.2%	8.2%	\$ 163,385	12.7%	87.3%	12.5%		\$ 13,816,341	\$ 906,536	7.0%	\$ 13,301	0.1%	\$ 893,234	6.9%
2025	4	\$ 1,340,969	\$ 1,340,969	19.1%	9.0%	\$ -	0.0%	100.0%	12.7%		\$ 14,960,791	\$ 1,144,451	8.3%	\$ 214,756	1.6%	\$ 929,694	6.7%
2026	5	\$ 1,394,608	\$ 1,534,069	14.4%	9.4%	\$ (139,461)	-10.0%	110.0%	9.3%		\$ 16,350,754	\$ 1,389,963	9.3%	\$ 193,100	1.3%	\$ 1,196,863	8.0%
2027	6	\$ 1,450,392	\$ 1,740,470	13.5%	9.7%	\$ (290,078)	-20.0%	120.0%	19.3%	100.0%	\$ 17,865,217	\$ 1,514,462	9.3%	\$ 206,402	1.3%	\$ 1,308,060	8.0%
2028	7	\$ 1,508,408	\$ 1,988,755	14.3%	10.2%	\$ (480,347)	-31.8%	131.8%	31.9%		\$ 19,542,718	\$ 1,677,502	9.4%	\$ 248,285	1.4%	\$ 1,429,217	8.0%
2029	8	\$ 1,568,744	\$ 2,164,732	8.8%	10.2%	\$ (595,988)	-38.0%	138.0%	39.6%		\$ 21,282,113	\$ 1,739,395	8.9%	\$ 175,977	0.9%	\$ 1,563,417	8.0%
		\$ 12,273,160	\$ 12,273,160														
		Net (Profit) Loss	\$ -			Sub Total Uncovered	\$ 1,505,875	(yrs 0-4)									
						Sub Total Recovered	(1,505,875)	(yrs 5-8)									
						Net (Profit) Loss	\$ -										

* The information above is intended to serve as an illustrative example of potential future annual budgets and management fees. Actual amounts may be higher or lower than those projected.

GL70A Financial Snapshot

Grand Lodge on Peak 7 Owners Assoc.			
Annual HOA Dues Analysis			
2 Bedroom			
Year	Annual Dues	Annual \$ Incr (Decr)	Annual % Incr (Decr)
2025	\$ 2,448.96	\$ 185.24	8.2%
2024	\$ 2,263.72	\$ 197.21	9.5%
2023	\$ 2,066.51	\$ 192.38	10.3%
2022	\$ 1,874.13	\$ 130.93	7.5%
2021	\$ 1,743.20	\$ 126.38	7.8%
2020	\$ 1,616.82	\$ 55.45	3.6%
2019	\$ 1,561.37	\$ 98.29	6.7%
2018	\$ 1,463.08	\$ 83.22	5.1%

- 2025 % Increase to the Dues Breakdown (2BR Annual):
 - Operating Fund – 7.2% of total increase
 - Total Reserve – 1.2% of total increase
 - Unit Reserve – .5% of total increase
 - Common Reserve – .5% of total increase

Grand Lodge on Peak 7 Owners Assoc.						
Operating Fund Budget to Actual Analysis						
Year	Total Budgeted Assessments	Budgeted Surplus (Deficit), net	Actual Surplus (Deficit), net	\$ Favorable (Unfavorable) Variance	% Favorable (Unfavorable) Variance	
2016	\$ 8,036,665	\$ -	\$ -	\$ -	0.0%	
2017	8,644,223	-	195,215	195,215	2.3%	
2018	9,023,685	(50,000)	117,336	167,336	1.9%	
2019	9,539,605	(45,000)	404,953	449,953	4.7%	
2020	9,891,579	-	595,941	595,941	6.0%	
2021	10,422,694	(625,000)	(191,475)	433,525	4.2%	
2022	11,373,122	(600,000)	(324,742)	275,258	2.4%	
2023	12,909,805	(375,000)	(716,913)	(341,913)	-2.6%	
2024	13,816,342	(400,000)	(210,690)	189,310	1.4%	
Totals	\$ 93,657,720	\$ (2,095,000)	\$ 80,315	\$ 2,175,315	2.3%	

General Note: Excludes depreciation expense and gain (loss) on disposal of assets.

- Reserve studies % funded based on projected fund balances as of 12/31/24 for 30-year forecast:
 - GL7 unit – 13.7%
 - GL7 common – 4.4%

GENERAL MANAGER REPORT

Grand Lodge on Peak 7 General Manager Report October 2024

We have recently completed another busy and beautiful summer season at the Grand Lodge on Peak 7 (GL7). While maintaining 94% occupancy throughout the summer, the GL7 Team has continued to demonstrate incredible commitment to enhancing the vacation experience.

We are thrilled to share that two GL7 leaders have been recognized with outstanding awards:

- Amber Danforth, Guest Services Manager, won the gold medal from the American Resort Development Association (ARDA) in the Resort Department Manager category. Amber continues to demonstrate outstanding leadership in guiding the Guest Services and Activities Teams. Amber is dedicated to developing her team's skills while also introducing innovative new offerings, including a revamped Escape Room.
- Tiffany Morris was awarded the Rookie of the Year at BGV's annual company-wide Leadership Summit. This prestigious award recognizes a leader at Breckenridge Grand Vacations who has been in a leadership position for less than 18 months and who exemplifies a strong commitment to BGV's culture and core values. Tiffany's dedication and leadership have made a significant, positive impact on the GL7 Front Desk Team.

We have also welcomed two new members to the GL7 Leadership Team:

- Dennis Martinez was promoted to Front Desk Supervisor in July. Dennis has consistently demonstrated an unwavering commitment to exceptional service, always going above and beyond to ensure that owners and guests have a memorable experience. His positive and upbeat attitude not only inspires his colleagues but also creates a welcoming environment for everyone who walks through the Grand Lobby. We are excited to see Dennis continue to excel in his new role.
- Nayely Martinez is returning to Breckenridge Grand Vacations as the GL7 Assistant Housekeeping Manager. Nayely previously worked in the Housekeeping Department at Grand Timber Lodge and brings a wealth of knowledge to her new role. She is an extremely valuable asset to our team, consistently demonstrating a genuine commitment to team success and always striving to create the best possible environment for staff, owners, and guests. We are excited to have her on the GL7 team.

BGV and GL7 maintain an unwavering commitment to sustainability and continually seek opportunities to offset environmental impacts. Below are the highlights of this year's accomplishments:

- All single-use plastic serving utensils have been eliminated from onsite food and beverage facilities with reusable, recyclable, or fully compostable materials.
- Continued electricity usage offset is attributed to our partnership with a third-party solar company. Year to date, GL7 is \$51K (22%) favorable to budget in Unit Electric.
- Replacement furniture that could not be sold was donated to various non-profits in both Summit County and the Front Range.

The GL7 Team has put in substantial effort to gather owner and guest feedback to enhance the vacation experience. As a result, several improvement projects and initiatives have been executed. Among these notable upgrades are:

- Resurfaced the outdoor aquatics area and surrounding walkways.
- Added casting capabilities to the in-room entertainment offerings.

- Re-sealed and waterproofed the ground level garage.
- Replaced carbon monoxide sensors in the garage and integrated the monitoring into the building automation system.
- Added complimentary coffee to the owners-only Day Use Lunchroom.
- Replaced the ground floor carpet in the North and South Buildings.
- Replaced South Building residence balcony and deck furniture.
- Added air conditioning to the Escape Room and Activities Center.
- Refreshed South Building exterior stain.
- Replaced South Building basement garage door.
- Replaced chairs in Theaters 1 and 2.
- Continued the replacement of hallway carpet.
- Installed electronic locks on the lockers within the Pool Locker Rooms, Day Use Lunchroom and Soothe Spa.

These projects, along with enhanced trainings and the secret shopper program have led to an increased Net Promoter Score. The team's outstanding work thus far is something to be incredibly proud of, and there is great anticipation for 2025. An exciting lineup of projects and initiatives is in store for the coming year, including but not limited to:

- Replacing common area carpet in the Grand Lobby, Family Fun Center, theaters, Ski Locker Room, and several hallways
- Replacing the locks on the Ski Locker Room lockers
- Replacing North Building theater chairs
- Replacing windows in the Aquatics Center
- Adding a game/sports simulator
- Replacing North Building balcony chairs and tables
- Replacing the living room furniture and tables in the South Building residences
- Replacing the carpet in the South Building residences
- Installing additional electric vehicle charging ports
- Upgrading the putting green
- Refreshing the sauna's interior

GL7 Trip Advisor Stats:

- Maintained the #3 of 18 properties under “Hotel” category for the duration of the year
- 4.5 out of 5 stars
- To see recent reviews, please click [here](#)

GL7 Service Score Comparison	Last Year’s Avg 5/1/2023 – 8/31/2023	This Year’s Avg 5/1/2024 – 8/31/2024
Common Areas and Amenities	8.98	9.20
Room Accommodations	8.78	9.08
Resort Staff	9.05	9.31
NPS Scores	61.94	69.17
ONPS Scores	55.55	72.13

NEW BUSINESS

GL70A Governance Policy – Collections Policy Update

To align with the update to HB 22-1137 with the passage of HB 24-1233 and HB 24-1337 regarding the Collections Policy, please see the summary of the changes required by the 2024 legislation:

HB24-1233:

1. Removes the requirement that a notice of delinquency be physically posted on the lot/unit of the non-paying owner.
2. Adds the Association must attempt to contact a delinquent owner in two of the following ways, in addition to sending a notice of delinquency by certified mail: by telephone, by email or by text message.
3. Clarifies that the Association can charge the actual cost of certified mail or other expenses incurred in sending a notice of delinquency.

HB24-1337:

1. Clarifies that an Association can collect attorney’s fees from an owner who has not paid assessments without pursuing legal action, but the new law limits the amount of attorneys’ fees that can be collected to the lesser of \$5000 or half of the unpaid assessment/amount being collected.
2. Clarifies that an Association can collect attorney’s fees from an owner who has violated the Declaration or Rules without pursuing legal action but limits the amount of attorneys’ fees that can be collected to the lesser of \$5000 or half of the actual costs the Association incurred as a result of the violation.
3. Added a number of requirements an Association must satisfy before proceeding with a foreclosure action.

BOARD ACTION REQUIRED

MOTION: To approve the proposed update to the GL7OA Governance Policy - Collections Policy as provided in the attachment by legal counsel.

MADE BY: ROGER LEMMON

SECONDED BY: NICK DORAN

DISCUSSION: NONE

IN FAVOR: ALL

OPPOSED: NONE

ABSTAIN: NONE

Interval International Agreements Update

Discussions are in process for the new Interval International 4-year term. Two updates pertaining to the Vacation Experience Fee have been discussed and will result in increased income for the GL7OA. The proposed 2025 budget reflects these changes:

- The rate will increase to \$20 per night, up from \$15 per night.
- The Vacation Experience Fee will be applied for nights reserved rather than nights occupied.

Miscellaneous

Comments to/from Staff

None at this time

Important Dates

Suggested date for the next Board and Annual Meetings:

Saturday, 4/5/2025

- In person with remote option
 - Property Tour – start time and location TBD
 - Board Meeting – 9-11am (in-person and Microsoft Teams participation options available)
 - Lunch – 11:30am-12:30pm (for all in-person Board Meeting attendees)
 - Annual Meeting – 1pm via Microsoft Teams Webinar for all (no in-person participation)

Agreement Dates

Management Agreement:

- Initial term from 1/1/2020 – 12/31/2029
- Auto-renews for successive periods of 5 years
- Action for change required 180 days prior to renewal

Interval International Agreement:

- 12/31/2024
- No auto-renewal

Resale Agreement:

- 1/1/2018 and auto renews annually
- Auto-renews with 90 days written notice for change

External Reserve Study Update Due:

- Due next in 2026

Seven's Restaurant Lease:

- Discussions are currently in progress

ACTION ITEMS

Review Current Action Items

#91: Look into changing the locker locks in locker rooms. *The locks on all lockers in the Aquatics, Day Use, and Fitness Center locker rooms have been replaced.* Closed at the 10/24/24 Board Meeting.

#96: Look into adding full length mirrors in all units. *We are finalizing the order details with our interior designers and upon delivery, these will be installed.* Closed at the 10/24/24 Board Meeting.

#101: BGV to investigate the option of cell towers/boosters as potential revenue stream. *We have been in contact with the cell tower providers, they are not currently interested in adding more towers in the area. They will contact us if they are interested in adding more towers in the future.* Closed at the 10/24/24 Board Meeting.

#102: Determine appropriate way to store e-bikes or e-bike batteries and implement solution. *A set of lockers with individual charging capabilities has been installed on the fitness porch, ensuring compliance with battery storage safety standards.* Closed at the 10/24/24 Board Meeting.

#103: Investigate methods to enhance BGV communication of cost-saving strategies and revenue-generating prospects to owners, with the aim of minimizing dues as much as we can. *An update on current cost-saving strategies and revenue-generating prospects has been and will continue to be shared in the quarterly Owner Newsletters.* Closed at the 10/24/24 Board Meeting.

#104: Explore if Interval International has informational resources we could provide to owners. (Kimberly to discuss with II at Spring ARDA Conference) *These informational resources are already available on Grand Central.* Closed at the 10/24/24 Board Meeting.

#105: Peggy/Kari to send out poll to confirm October date for Fall Meeting. *The meeting date was set based off of this recommendation.* Closed at the 10/24/24 Board Meeting.

Summary of New Action Items

ADJOURNMENT:

Motion to Adjourn:

By: Roger Lemmon

Time: 3:03pm