

DRAFT

GL7OA Board and Advisory Committee Meeting Minutes Saturday, April 5, 2025

Attendance:

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

Advisory Committee Present: Bruce Vix, Jamie Keiffer, Chuck Gamber, Ashley Bevan, Jeanne Symonds, Angie Verburg

Staff Present: Peggy Helfrich, Kari Sommers, Faren McDonald, Joe Clark-Fulcher, Lindsay Reinwand, Amie Yoder, Joanni Linton, Kimberly Tramontana

Call to order: 9:35am by Linda Cole

Motion To approve 10/24/24 GL7OA Board Meeting Minutes

MOTION MADE BY: Mike Hedensten

SECOND: Roger Lemmon

DISCUSSION: None

IN FAVOR: All

AGAINST: None

ABSTAIN: None

GL7OA 2024 Audited Financials

GL7OA 2024 Audited Financial Statement Summary

Below is a summary of the GL7OA 2024 Audited Financial Statements. Three attachments are provided for your review alongside this summary: the Management Representation Letter, the Standard Audit Communication Letter, and the draft of the Audited Financial Statements.

Here are some key points to note in the draft of the GL7OA 2024 Audited Financial Statements:

- Significant Operating Fund variances greater than 10% and \$20,000 are summarized on the second page of this summary.
- On page 1 of the draft audited financial report, please note that the auditor's report reflects a clean opinion.

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<u>Operating Fund Balance Roll Forward:</u>	<u>2024 Budget</u>	<u>2024 Actuals</u>	<u>Variance Favorable (Unfav)</u>	<u>Variance Favorable (Unfav)</u>
Operating Fund Balance, 12/31/23	\$ 10,207	\$ 10,207		
Total Revenues	\$ 12,667,880	\$ 12,841,052	\$ 173,172	1%
Total Expenses	\$ 13,067,880	\$ 12,735,697	\$ 332,183	3%
Excess (Deficiency) Revenues over Expenses	\$ (400,000)	\$ 105,355	\$ 505,355	126%
Operating Fund Balance, 12/31/24	\$ (389,793)	\$ 115,562	\$ 505,355	130%

<u>Reserve Fund Balances, 12/31/24:</u>	<u>Fund Balance</u>	<u>Est. Future Replacement Costs</u>	<u>Coverage %</u>
Common Reserve Fund	\$ 1,250,059	\$ 20,018,275	6.2%
Unit Reserve Fund	\$ 3,029,641	\$ 20,245,608	15.0%
Combined Reserve Funds	\$ 4,279,700	\$ 40,263,883	10.6%

Please note that the developer and HOA audits are conducted simultaneously and there is a possibility for final audit adjustments to the HOA Financial Statement draft after the Board approves the draft version. The Board will be made aware of any material adjustment to the Board approved version.

The Grand Lodge on Peak 7 Owners Association, Inc. (a Colorado Non-Profit Corporation) Operating Fund Budget (Non-GAAP Basis) to Actual Comparison With Reconciliation to GAAP Basis For the Year Ended December 31, 2024					
	2024				
	Budget (Unaudited)	Actuals	\$ Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)	2024 Budget to Actual Variance Explanations (only for variances greater than \$20,000 AND 10%)
Revenues:					
Interest Income	15,305	184,997	169,692	1109%	Favorable variance driven by higher interest rates on operating funds
All Other Revenues	12,652,575	12,656,055	3,480	0%	
Total Revenues	12,667,880	12,841,052	173,172	1%	
Expenses:					
Activities	29,327	74,979	(45,652)	-156%	Unfavorable variance resulting from reduced activity revenue and more employees electing to use benefits.
All Other Expenses	13,038,553	12,660,718	377,835	3%	
Total Expenses	13,067,880	12,735,697	332,183	3%	
Excess (Deficiency) Revenues over Expenses	\$ (400,000)	\$ 105,355	\$ 505,355	126%	

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RESOLUTION OF The Grand Lodge on Peak 7 Owners Association, Inc.

RE: EXCESS MEMBERSHIP INCOME APPLIED TO THE FOLLOWING YEAR'S ASSESSMENT

WHEREAS The Grand Lodge on Peak 7 Owners Association., Inc. is a Colorado association duly organized and existing under the laws of the State of Colorado; and

NOW, THEREFORE, the Board of Directors hereby adopts the following resolution by and on behalf of the Association.

RESOLVED, that any excess of membership income over membership expenses as defined in IRS Reg. 1.2771 for the year ended December 31, 2025, shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

This resolution is adopted and made a part of the minutes of the meeting of the Board of Directors on April 5th, 2025.

BY: _____

President

ATTESTED: _____

Secretary

BOARD ACTION REQUIRED

MOTION: To approve the GL7OA 2024 Audited Financials and Resolution for IRS Ruling 70-604.

MADE BY: MIKE HEDENSTEN

SECONDED BY: BLAKE DAVIS

DISCUSSION: Eric presented the Audited financials highlighting the Resolution needing to be voted on due to the Association how having income tax on their investments. Faren is working on establishing additional balance sheet accounts to prompt due to/from entries for reserve expenses, ensuring timely execution of cash transfers.

IN FAVOR: ALL

OPPOSED: NONE

ABSTAIN: NONE

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Dear GL7OA Board and Advisory Committee,

As we approach the end of the first quarter in 2025, the U.S. economy has shown resilience with steady growth, although higher interest rates have tempered some investment activities. Inflation pressures are easing, attributed to improved supply chain conditions and stabilized energy prices, while the labor market remains strong despite challenges in hiring skilled labor. Economists are increasingly concerned about potential recessionary risks, as slowing growth combined with high inflation could result in decreased consumer spending and investment. This is further exacerbated by ongoing geopolitical instability, which disrupts global supply chains and contributes to heightened market volatility and uncertainty across various sectors. Additionally, shifting regulatory landscapes can significantly affect businesses by altering compliance requirements, investment strategies, and operational costs, compounding these economic challenges.

The Federal Reserve is adopting a cautious approach, signaling potential rate cuts later in 2025 to support growth, provided inflation remains within target levels. Financial markets may respond positively to these potential cuts, fostering increased investment and spending, though the Fed's decisions will depend on evolving economic data and global influences. Overall, the outlook for the U.S. economy appears cautiously optimistic. Associations and Boards have a fiduciary responsibility to their members, necessitating a conservative approach to financial management, as they are entrusted with and responsible for handling Other People's Money (OPM). At The March Group, we share this commitment and always act in a fiduciary capacity, putting our clients' best interest first. When we established your account, we collaborated with the Board to formulate a formal investment policy statement that mandates all funds remain FDIC insured and/or government guaranteed at all times. This ultra-conservative strategy is designed to safeguard the interests of all stakeholders, irrespective of market fluctuations or global economic events.

Some of you may recall Will Rogers, cowboy philosopher in the 1930's, who said *"I am more concerned today about the return OF my money, than the return on my money."*

Grand Lodge on Peak 7 is well positioned going into the second quarter of the year, with 67.8% of the portfolio allocated to short-term Treasury Bills and CDs, the other 32.2% allocated to intermediate term Market Linked CDs (MLCDs). The 67.8% of the portfolio allocated to Short-Term investments is currently yielding approximately 4.07%.

Over the years, we have been hedging inflation by adding Market Linked CDs to the portfolio. These are FDIC insured up to \$250,000 per issuer, and as long as held to maturity, guarantee principal. Instead of fixed interest payments, returns are tied to a market index (S&P 500, DJIA, etc) which results in temporary fluctuations in reportable market value. When we see significant appreciation, we normally liquidate these positions and lock in profits at no cost or fees to the association.

It is an honor to work with you and we appreciate your confidence, trust and support. Please call with any additional questions at 888-811-6501.

Very truly yours,

Nico F. March
Managing Director

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GL70A FEBRUARY 2025 UNAUDITED FINANCIALS

Following is the summary of the February YTD operating and reserve income and expenses. These financials were also provided in the 3/26/25 Missive.

Grand Lodge on Peak 7

Financial Summary February 28, 2025

	YTD <u>Actual</u>	YTD <u>Budget</u>	\$ Variance <u>Fav (Unfav)</u>	% Variance <u>Fav (Unfav)</u>
<u>Operating:</u>				
Income	\$ 2,128,428	\$ 2,154,779	\$ (26,351)	-1%
Expenses	2,085,452	2,152,978	67,526	3%
Operating Surplus (Deficit)	42,976	1,801	41,175	2286%
<u>Reserves: (Unit and Common)</u>				
Income	375,731	324,464	51,268	16%
Expenses	312,837	273,191	(39,646)	-15%
Reserve Surplus (Deficit)	62,894	51,273	11,621	23%
Operating and Reserve Surplus (Deficit)	\$ 105,870	\$ 53,074	\$ 52,796	99%

BOARD ACTION REQUIRED

Motion: To accept the GL70A February 2025 Unaudited Financials

MADE BY: ROGER LEMMON

SECONDED BY: MIKE HEDENSTEN

DISCUSSION: NONE

IN FAVOR: ALL

OPPOSED: NONE

ABSTAIN: NONE

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GL7OA Spring 2025 Accounts Receivable Update

GL7OA Accounts Receivable Summary Spring 2025:



73% of dues paid as of 3/15/25 (compared to 79% as of 3/15/24)

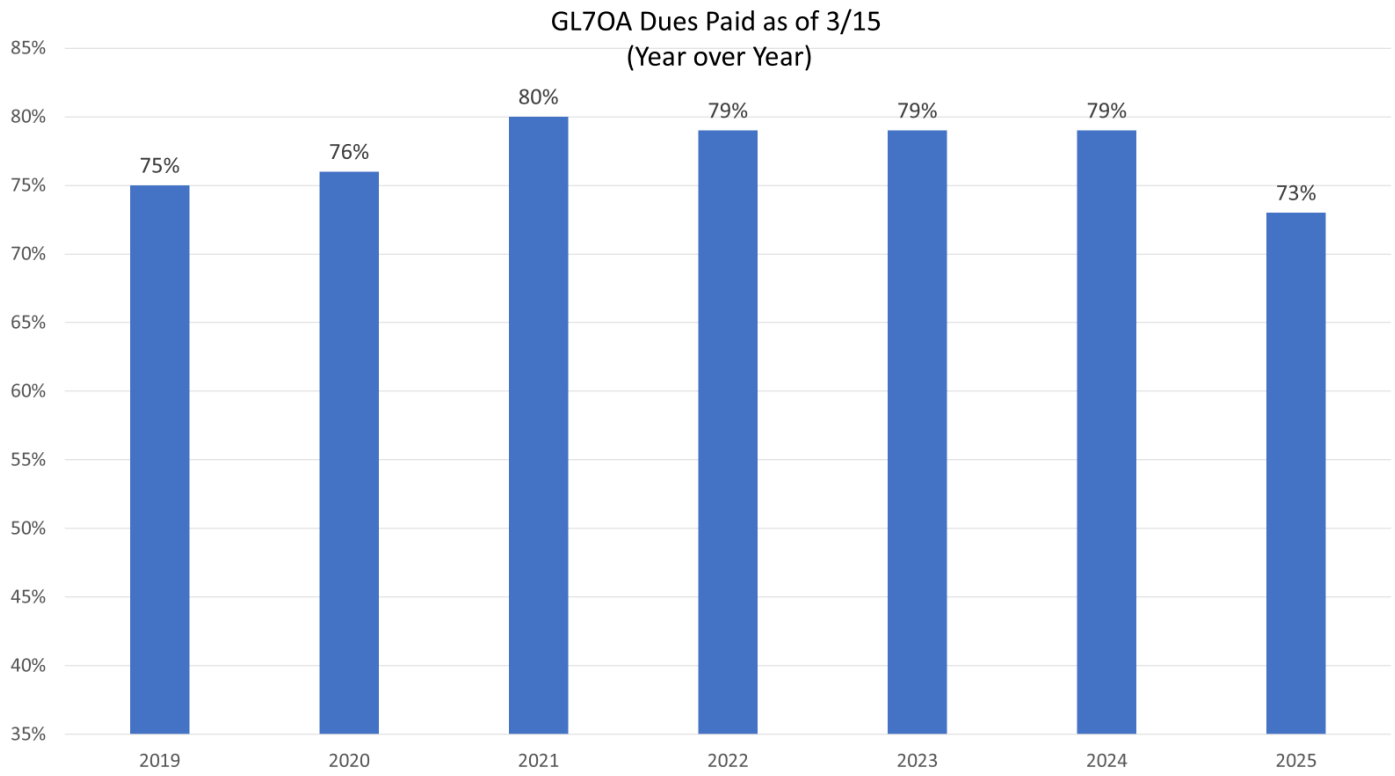
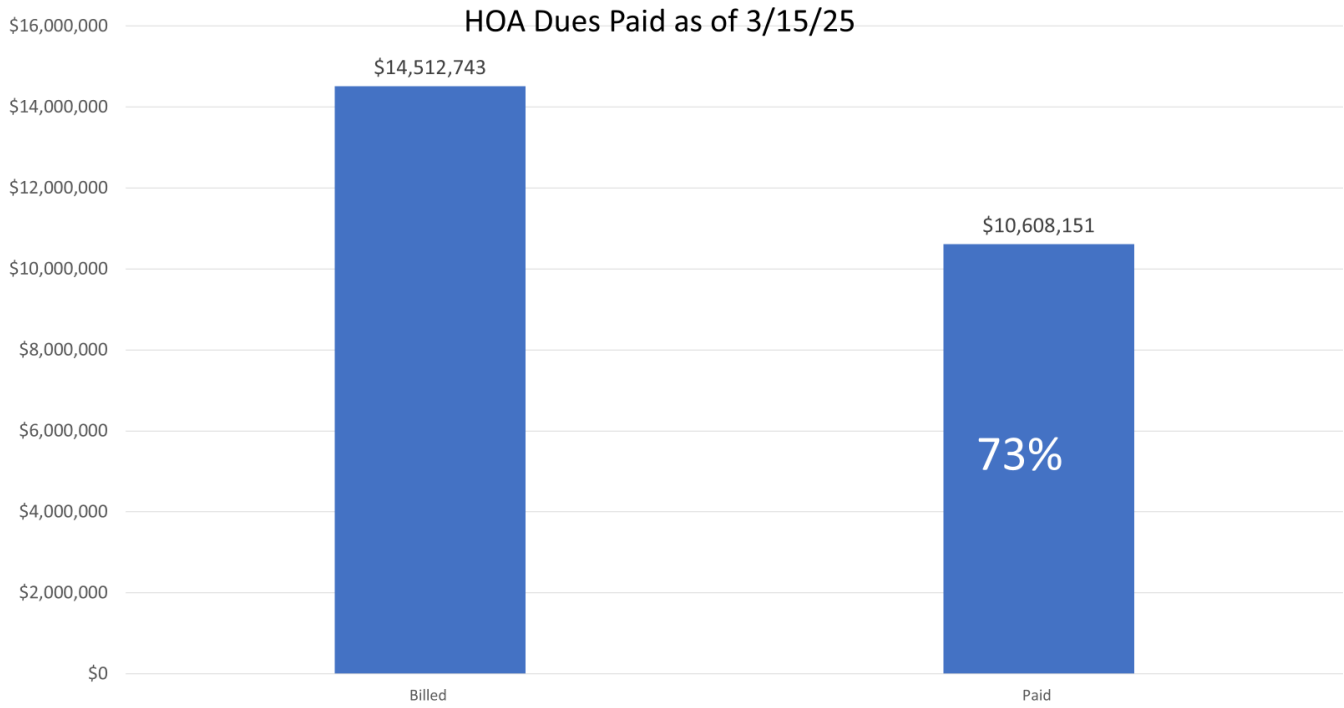
EOY 2024:

- 98% of dues paid
- 62 deeds recovered via BGVARM
 - \$59,880 in bad debt (22 accounts with past due balances when canceled)
 - \$18,886 in deed in lieu income (13 accounts)

As of 3/15/25:

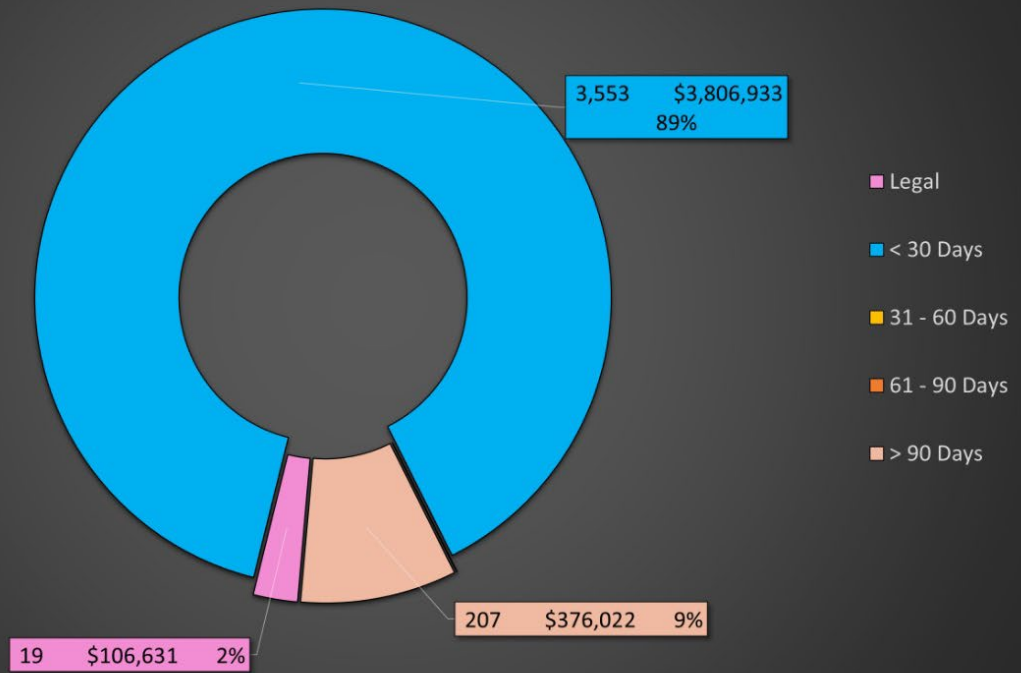
- 2 deeds recovered via BGVARM
 - \$11,414 past due balance at the time of chargeoff (2 accounts)
 - \$500 gained in deed in lieu income (1 account)

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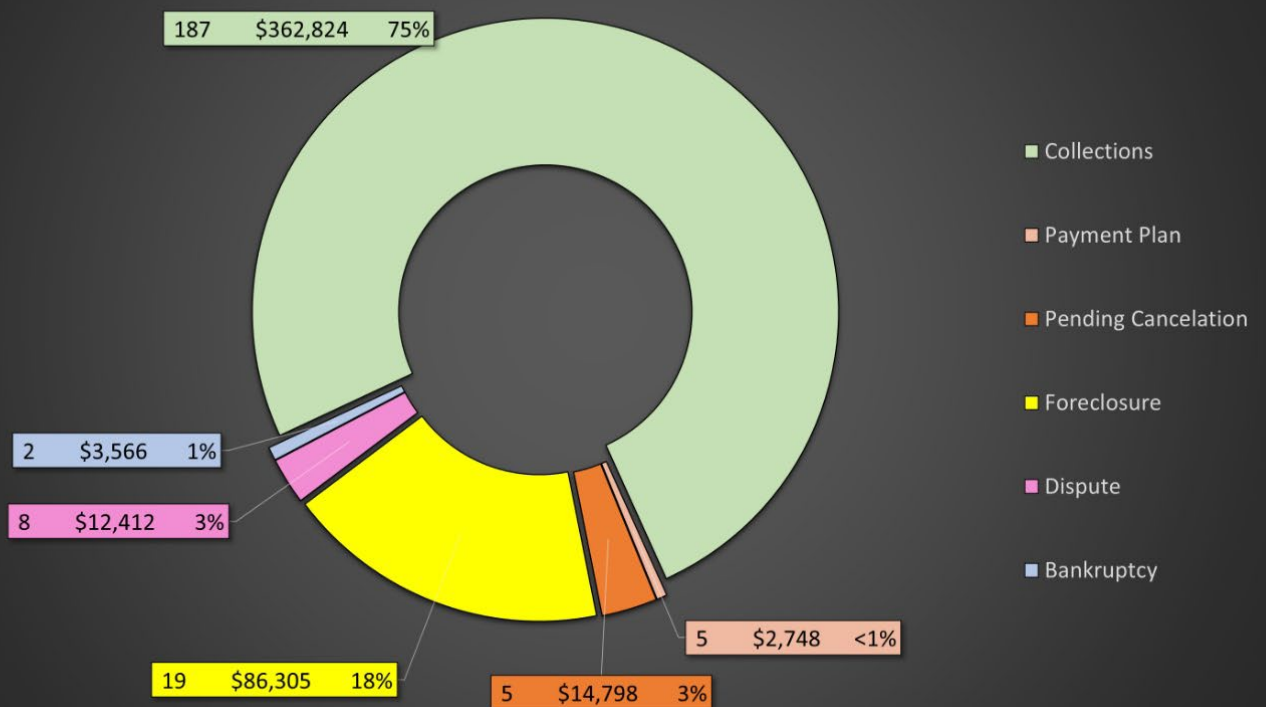


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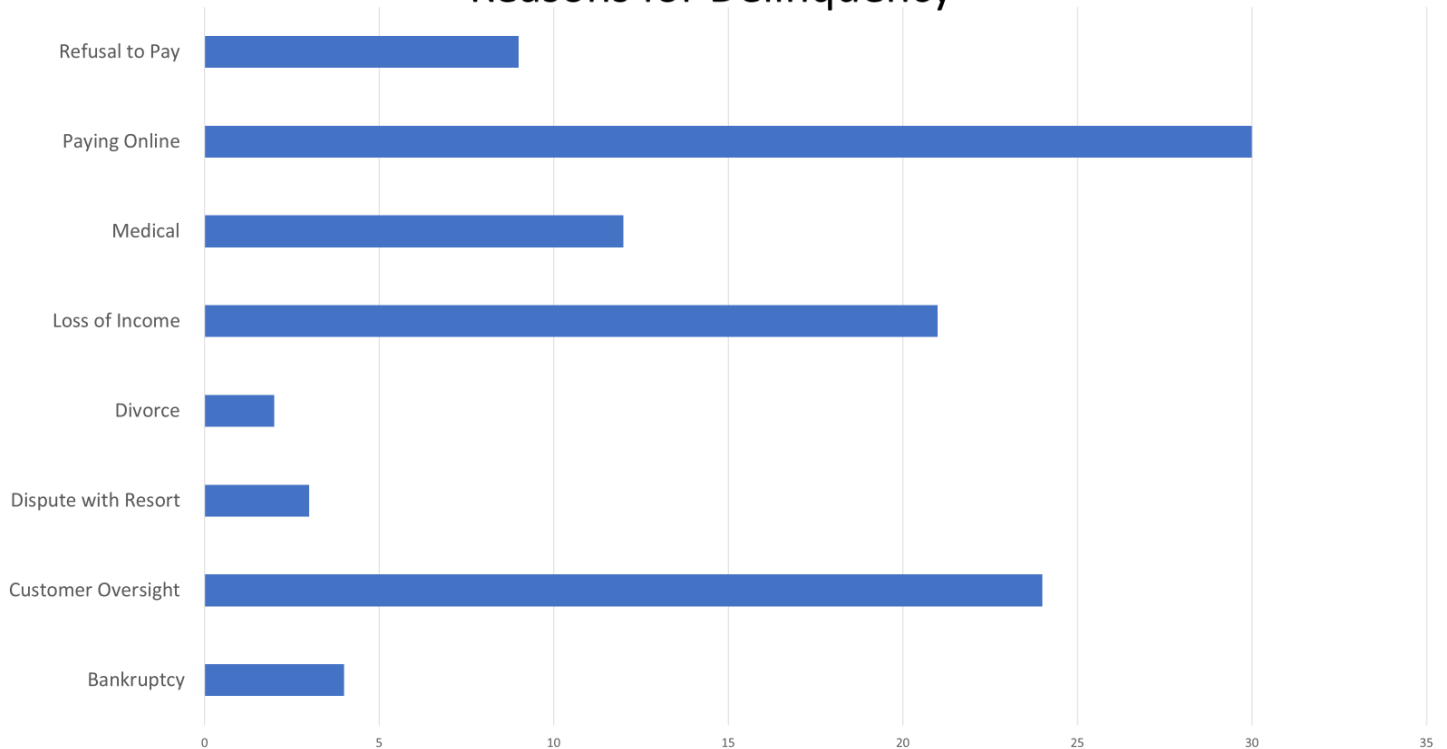
3/15/25 GL70A Total AR Portfolio Aging Composition



3/15/25 GL70A Greater Than 90 Days Past Due Composition



Reasons for Delinquency



When going through the AR report and discussing delinquent accounts, a comment on Facebook is raised regarding Club Benefits not being available when an owner is on a payment plan. This policy is in the GL7OA Rules and Regulations. Day use is currently still available when on a payment plan because there is no monetary exchange. Bonus time is not available when on a payment plan as that does entail a monetary exchange. BGV has a Senior Owner Support team that can help educate owners and provide clarification when there is confusion. Peggy is the point of contact to connect owners to this team if needed. The Board and AC expressed gratitude for the transparency and support that BGV provides.

A question was asked regarding the “paying online” reason for delinquency which sparked a discussion about how the online payment option through Concord Servicing is far from ideal.

Action Item: Blake and Joe to work with Concord Servicing to find improvements in paying online.

GL7OA Financial Snapshot April 2025

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Grand Lodge on Peak 7 Owners Assoc.									
Operating Fund Analysis & Historical Dues Increase									
			Budget to Actual Comparison				Dues Increase		
		Total	Budgeted	Actual	\$ Favorable	% Favorable	Annual	Annual	Annual
		Budgeted	Surplus	Surplus	Unfavorable)	Unfavorable)	\$ Dues	\$ Incr	% Incr
Year	Assessments	(Deficit), net	(Deficit), net	Variance	Variance		2 Bed	(Decr)	(Decr)
2016	\$ 8,036,665	\$ -	\$ -	\$ -	0.0%		\$ 1,313	\$ -	
2017	8,644,223	-	195,215	195,215	2.3%		1,402	89	6.8%
2018	9,023,685	(50,000)	117,336	167,336	1.9%		1,463	61	4.4%
2019	9,539,605	(45,000)	404,953	449,953	4.7%		1,561	98	6.7%
2020	9,891,579	-	595,941	595,941	6.0%		1,617	55	3.6%
2021	10,422,694	(625,000)	(191,475)	433,525	4.2%		1,743	126	7.8%
2022	11,373,122	(600,000)	(324,742)	275,258	2.4%		1,874	131	7.5%
2023	12,909,805	(375,000)	(716,913)	(341,913)	-2.6%		2,067	192	10.3%
2024	13,816,342	(400,000)	105,355	505,355	3.7%		2,264	197	9.5%
2025	14,966,787	-	-	-	0.0%		\$ 2,450	\$ 186	8.2%
Totals	\$ 108,624,507	\$ (2,095,000)	\$ 185,670	\$ 2,280,670	2.1%				

Grand Lodge on Peak 7 General Manager Report April 2025

The Grand Lodge on Peak 7 (GL7) has enjoyed a great start to 2025 during an incredible ski season with a lot of snow. At 95% annual average occupancy, our dedicated team has stayed busy while continuing to elevate the owner and guest experience.

We are thrilled to share a few updates that pertain to the GL7 staff:

- The Lobby Bar team was recognized at BGV's End of Year Awards with the Kaizen Award. The Kaizen Award honors the department that achieved the greatest year-over-year improvement in performance. It is no surprise that this team won, as they have put tremendous effort into enhancing the lobby bar experience after the management transitioned in early 2024.
- Amber Danforth won the Sustainability Hero Award at BGV's End of Year Awards. Amber was the BGV employee who best exemplified BGV's commitment to sustainability and environmental stewardship.
- Magda Morales, a Room Quality Supervisor in the GL7 Housekeeping Department, was named the 2024 GL7 Employee of the Year. Magda has been instrumental to the success of GL7, stepping up to cover shifts, taking the lead during our preventative maintenance seasons, and ensuring top-quality rooms and common areas. Her dedication, positivity, and hard work make this recognition well deserved.
- Amie Yoder has been nominated as an American Resort Development Association (ARDA) Awards Finalist in the Assistant Resort Manager Category. The ARDA Awards will be announced at this year's annual conference in Orlando on March 26, 2025. Amie has been nominated for the amazing job that she has done leading the GL7 team while continuing to focus on resort improvements, in addition to being a leader in multiple BGV wide initiatives. Footnote: Amie won Silver at the ARDA Awards Ceremony!
- GL7 welcomed two additions to our leadership team. Nayely Martinez was hired as the Assistant Housekeeping Manager and Thomas Robinson was hired as the Assistant Engineering Manager. Both of these leaders are deeply committed to providing excellent owner and guest service.

At BGV and GL7, our commitment to sustainability and philanthropy remains strong as we continuously seek new ways to minimize our environmental impact and give back to our community. Here are our most recent achievements:

- Reduced electric usage which saved the GL7OA over \$28K in 2024 through a third-party solar partnership.
- Reduced natural gas consumption by 685,000 kBTU, a 2% decrease year-over-year.
- Purchased a 100% electric forklift.
- Added water bottle filling stations throughout the resort, promoting the use of reusable water bottles and discouraging single-use plastic waste.
- Upgraded several of the hot tubs with larger, more efficient heat exchangers, allowing for higher temperatures and reduced closures.
- Introduced a 'Round Up' option at the lobby bar and market to support charities, raising over \$500 in the first quarter of this year.

The GL7 Team has been dedicated to gathering valuable feedback from owners and guests to elevate the vacation experience. This input has driven the implementation of several enhancement projects and initiatives and has thus increased our Net Promoter Score. Some of the most notable projects include:

- Upgraded the Fitness Center's cardio equipment with new top-of-the-line technology.
- Installed air conditioning in the Activities Center and Escape Room.
- Captured new marketing photos to better showcase our amazing resort amenities.
- Added a window and door-opening button to the Ground Level door in the South Building, enhancing safety and accessibility.
- Upgraded theater chairs in Theaters 1 and 2.
- Continued to find savings in uniforms, maintenance parts and cleaning supplies to help offset HOA costs by working with an expense reduction analysis company.

The team's outstanding work so far this year is something to be incredibly proud of, and we look forward to all that the rest of 2025 has in store. An exciting lineup of projects and initiatives is already underway, including but not limited to:

- Partnering with a third-party company to provide e-bikes for rent, with a revenue share program to benefit the GL7OA
- Replacing a portion of the common area carpet.
- Revamping the Escape Room with a new theme designed to engage families and groups with children of all ages.
- Replacing the locks on the Ski Locker Room lockers.
- Replacing theater chairs in Theaters 3 and 4.
- Replacing windows in the Aquatics Center.
- Adding a sports simulator, bringing in more revenue for the Activities Department.
- Upgrading North Building balcony chairs and tables.
- Upgrading living room furniture in the South Building residences.
- Replacing carpet in South Building residences.
- Installing additional electric vehicle charging ports.
- Refinishing the sauna's interior.
- Adding full-length mirrors to all residences.

Lastly, BGV will be taking over the management of the onsite restaurant. We are very excited to share the latest updates regarding this transition:

- Vail Resorts to cease dining room operations in mid-April.
- Carry-out window only until mid-May.
- Reopening under BGV management in mid-June.
- Thomas (Tommy) Stokes has accepted the Restaurant General Manager position and will start at the end of March.
- BGV is interviewing applicants for the Executive Chef position.
- Additional restaurant positions to be posted in April.

- The restaurant will be renamed Bar Down with an upscale, casual menu and a focus on quality service.

Action Item: Explore the option of incorporating videos in owner communication.

- GL7 Trip Advisor Stats:
 - #4 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 9/1/2023 – 3/17/2024	This Year's Avg 9/1/2024 – 3/17/2025
Common Areas and Amenities	8.99	9.05
Room Accommodations	8.69	8.98
Resort Staff	9.30	9.23
GNPS Scores	61.39%	64.05%
GONPS Scores	65.94%	64.65%

Amenities Update

We intend to enhance our current on-property amenity package to improve the owner and guest experience while increasing HOA revenues. To accomplish this, we have shifted approved 2025 projects so that these will not create an unfavorable variance to budget. These changes include:

Sports Simulator Addition

- Installation of a state-of-the-art sports simulator in an existing theater, providing interactive experiences for golf, hockey, soccer, and other virtual sports.
- The sports simulator will be operated by the Activities Department and will serve as a revenue-generating initiative for the Homeowners Association, while enhancing the resorts' amenities.

Theater Expansion in Family Fun Center

- To improve our entertainment offerings, a new theater will be constructed in the Family Fun Center, ensuring guests continue to enjoy a full range of movie and event experiences.

- This expansion will optimize space by reducing the arcade's footprint while preserving a diverse selection of games and entertainment for the GL7 owners and guests.

Annual Meeting Review

GRAND LODGE ON PEAK 7 OWNERS' ASSOCIATION

2025 ANNUAL MEETING AGENDA

- I. Call to Order – Establish Quorum of 10% – Linda Cole, GL7OA Board President
- II. Call for Changes to the Agenda – Linda Cole, GL7OA Board President
- III. Introductions – Lindsay Reinwand, GL7 General Manager
 - Board of Directors and Advisory Committee
 - Affiliate Representative
 - Management Company
- IV. Call for the Approval of 2024 Annual Meeting Minutes – Linda Cole, GL7OA Board President – *owner vote required*
- V. Audited Financial Statement Review for the Fiscal Year Ending December 31, 2024 – Faren McDonald, HOA Controller
- VI. Interval International Update –Brett Minzer, Interval International
- VII. General Manager Report – Lindsay Reinwand, GL7 General Manager
- VIII. Announcement of GL7OA Board Elections and Advisory Committee Appointments – Peggy Helfrich, HOA Operations Manager
- IX. Questions & Comments – Joanni Linton, Director of Resort Operations
- X. Adjournment – Linda Cole, GL7OA Board President

GL7OA Board Officer Election

Current Board President – Linda Cole
Current Vice President – Roger Lemmon
Current Secretary/Treasurer – Mike Hedensten

President – Linda Cole
Vice President – Roger Lemmon
Secretary/Treasurer – Ashley Bevan

Comments To/From Staff

Comment from an owner: “The past two years I have experienced theft while visiting Peak 7.

The first experience was 2 years ago. We had the 'Do not Disturb' sign hung on our door, only to find it on the floor inside our room and a Hermes scarf missing. Last year, I checked out and quickly (within :30 to :40) remembered I had left my workout tights and tee shirt on the back of the bathroom door. I asked to go back in the room. The room was cleaned and the items were gone. I followed up with the front desk and later with a manager, who never located these items.

First: Is this catastrophic? No. However, it is still terrible to think that the cleaning staff is capable of taking items from guests' rooms. They should have immediately turned in the items to the front desk (we were on the first floor close to the reception area), especially those found on the back of the door in the bathroom. The fact that the staff supposedly had to wait to locate the items in case they were in a laundry bin somewhere, is ridiculous. The cleaning staff was still on the floor. Ask who cleaned the room and viola! That is where the items are.

In both cases, there should have been a thorough search and a staff meeting to reiterate your core values; one of which is hope is honesty and zero tolerance for theft.

Secondly: The fact that this has happened twice indicates you have a problem.

Third: I was not happy with the steps taken to resolve the issue. Basically, it was a shoulder shrug.

It feels low class, careless and seedy. It also feels very unprofessional from a management perspective. I would have expected proactive over-communication. I would have appreciated a letter of apology with some kind of corporate action plan to address this problem. I would have expected some kind of compensation (perhaps the value of the items deducted from my HOA dues). “

BGV Response: Amie spoke with Belinda and remembered both of these instances. Amie empathized with her frustrations and concerns of her items going missing. Amie explained that after investigating and questioning our team at the time of these instances, we have no reason to believe that any misconduct occurred. We've also conducted retraining with the staff on proper lost & found procedures to avoid situations like this in the future. Due to the time Belinda has spent on this over the years, Amie let her know that she would be happy to put some money into her reward dollars balance as a token of our appreciation for her as an owner of 13+ years.

All in all, she was mostly concerned that this was a bigger issue and wanted the Board to be aware in case it was. She was very appreciative of Amie's call, and the call ended in good spirits. Amie is having OR call her to book her September 2025 week.

Important Dates

Suggested date for the next Board Meeting:

Wednesday, October 15, 2025

2-4pm MT

Microsoft Teams

This is the proposed 2026 budget review meeting

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:

- 12/31/2028
- 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:

- 2026

Sevens Restaurant Lease:

- As of spring 2024, Sevens has been operating on a month-to-month lease.
- Bar Down operations are expected to begin in mid-June.

Summary of New Action Items

Action Item: Blake and Joe to work with Concord Servicing to find improvements in paying online

Action Item: Explore the option of incorporating videos into owner communications.

Adjournment:

Motion to Adjourn:

By: Linda Cole

Time: 11:16am