

GRAND TIMBER LODGE OWNERS' ASSOCIATION

Board Meeting Minutes

10/19/2024

Attendance:

GTLOA Board Members: Marc Block, Tom Endres, James Hagerman, Nick Doran, Matt Charley, Lew Phinney

Advisory Committee Members: Chris Maciejewski, David George, Richard Mozykowski, Renae Phillips, Harold DeWeese, Malinda Pederson, Tom Wood

BGV Staff: Kimberly Tramontana, Peggy Helfrich, Joe Clark-Fulcher, Nick Borovich, Eli Yoder, Kari Sommers, Faren McDonald

Call to order: 9:03am by Marc Block

BOARD ACTION REQUIRED

MOTION: To approve the 4/11/2024 Board GoToMeeting Minutes.

MADE BY: Tom Endres

SECONDED BY: Matt Charley

DISCUSSION:

IN FAVOR: All

OPPOSED: None

ABSTAIN: None

FINANCIALS
GTLOA Finance Committee Update

GTLOA August 2024 Unaudited Financials

The Finance Committee met on 10/8/2024 and has made a recommendation to accept the GTLOA August 2024 unaudited financials.

Grand Timber Lodge

Financial Summary
August 31, 2024

	YTD <u>Actual</u>	YTD <u>Budget</u>	\$ Variance <u>Fav (Unfav)</u>	% Variance <u>Fav (Unfav)</u>
Operating:				
Income	\$ 8,841,965	\$ 8,588,847	\$ 253,118	3%
Expenses	8,650,458	8,658,359	7,900	0%
Operating Surplus (Deficit)	191,507	(69,511)	261,018	376%
Reserves: (Unit and Common)				
Income	2,162,473	2,020,326	142,146	7%
Expenses	1,429,852	1,259,330	(170,522)	-14%
Reserve Surplus (Deficit)	732,621	760,996	(28,376)	-4%
Operating and Reserve Surplus (Deficit)	<u>\$ 924,128</u>	<u>\$ 691,485</u>	<u>\$ 232,643</u>	<u>34%</u>

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 August 2024 Unaudited Financials.

MADE BY: James Hagerman
SECONDED BY: Tom Endres
DISCUSSION: None
IN FAVOR: All
OPPOSED: None
ABSTAIN: None



GRAND TIMBER LODGE

GTLOA Fall 2024 Accounts Receivable Update

GTLOA Summary Fall 2024



GRAND TIMBER LODGE

94% dues paid as of 9/15/24 (95% paid as of 9/15/23)

EOY 2023:

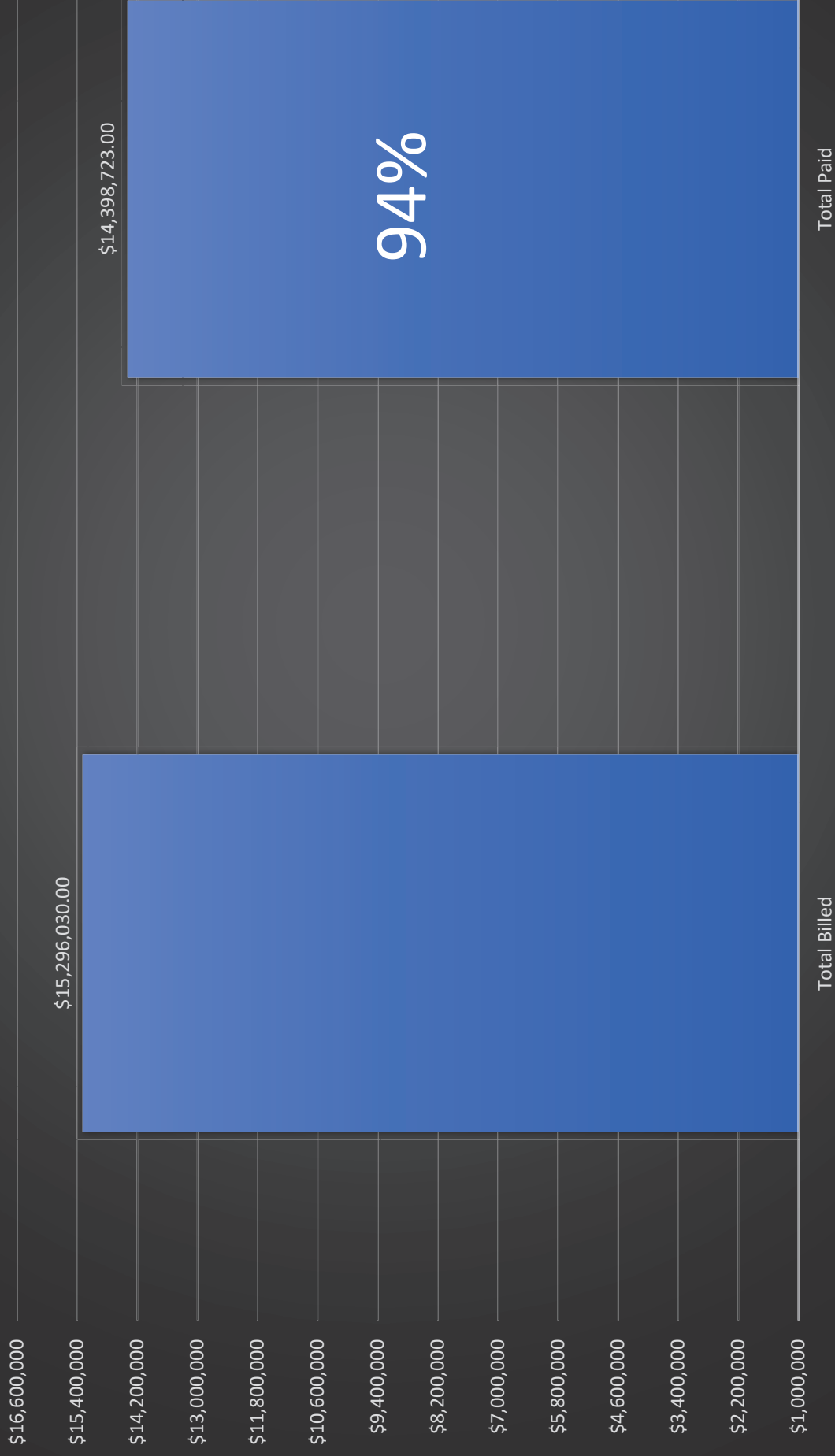
97% of dues paid

- 130 deeds recovered via BGVARM:
 - \$360,530 in bad debt (67 accounts with past due balances when canceled)
 - \$ 52,530 gained in deed in lieu income (22 accounts)

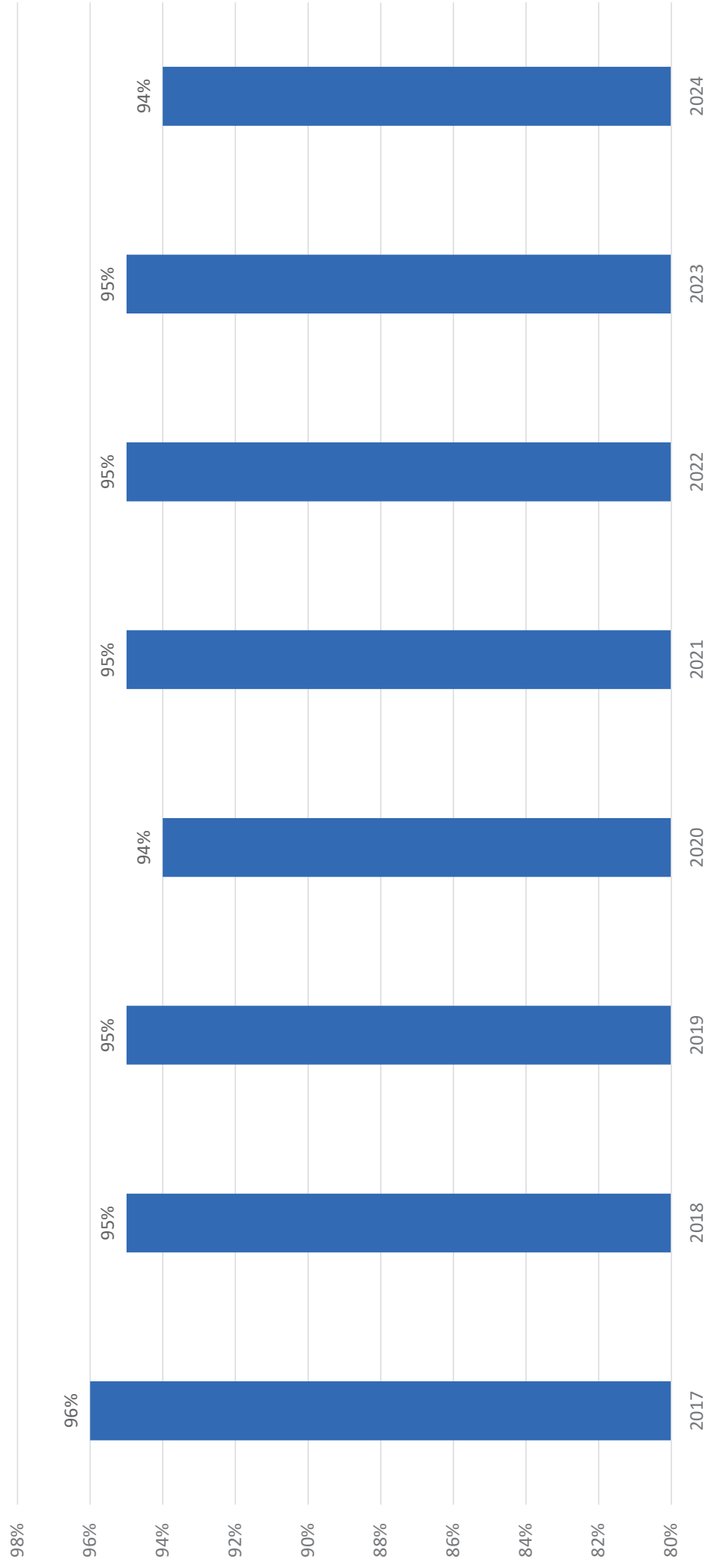
As of 9/15/24:

- 81 deeds recovered via BGVARM:
 - \$162,701 past due balance at the time of charge-off (41 accounts)
 - \$40,120 gained in deed in lieu income (16 accounts)

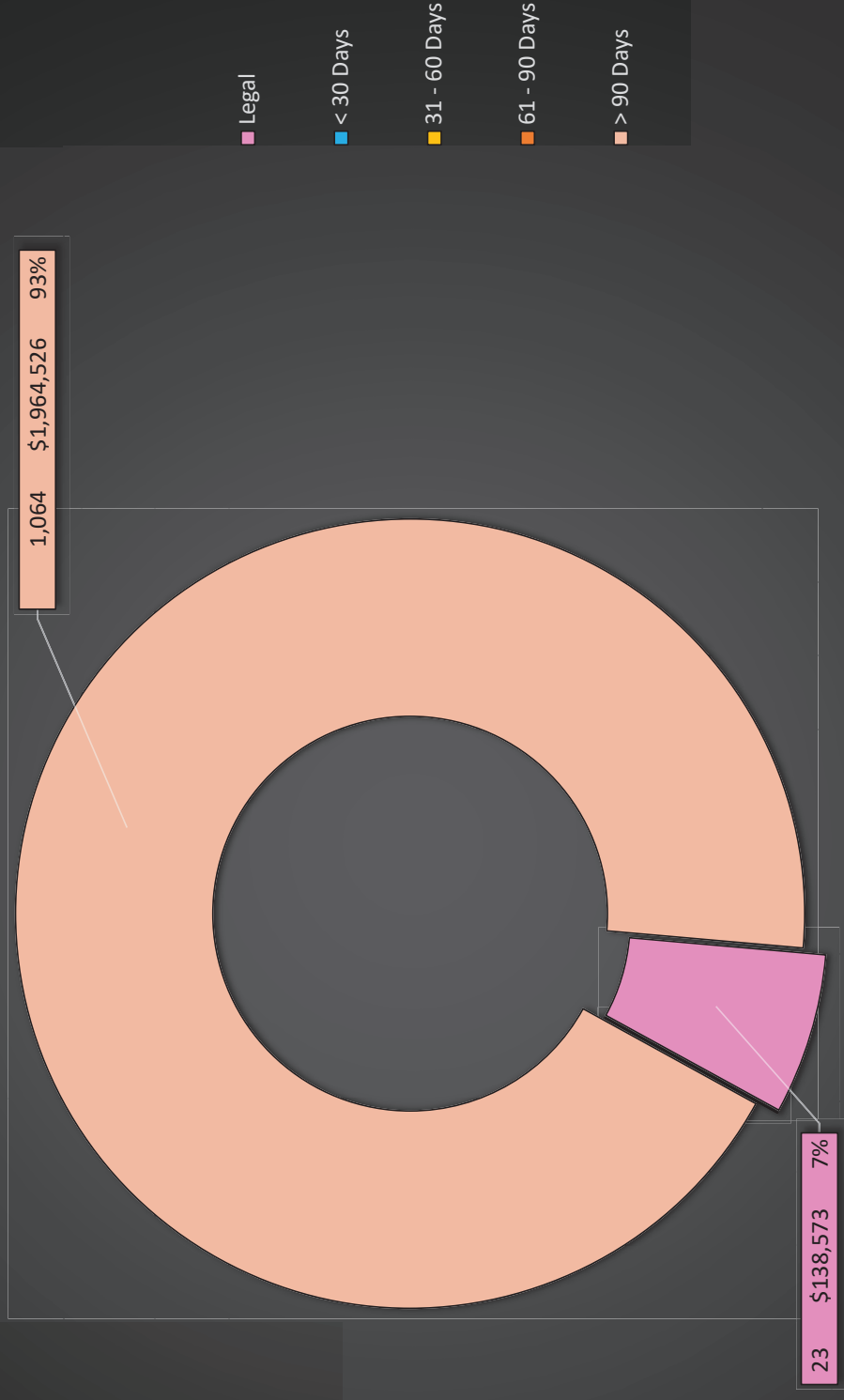
GTLOA Total Billed vs Paid
2024



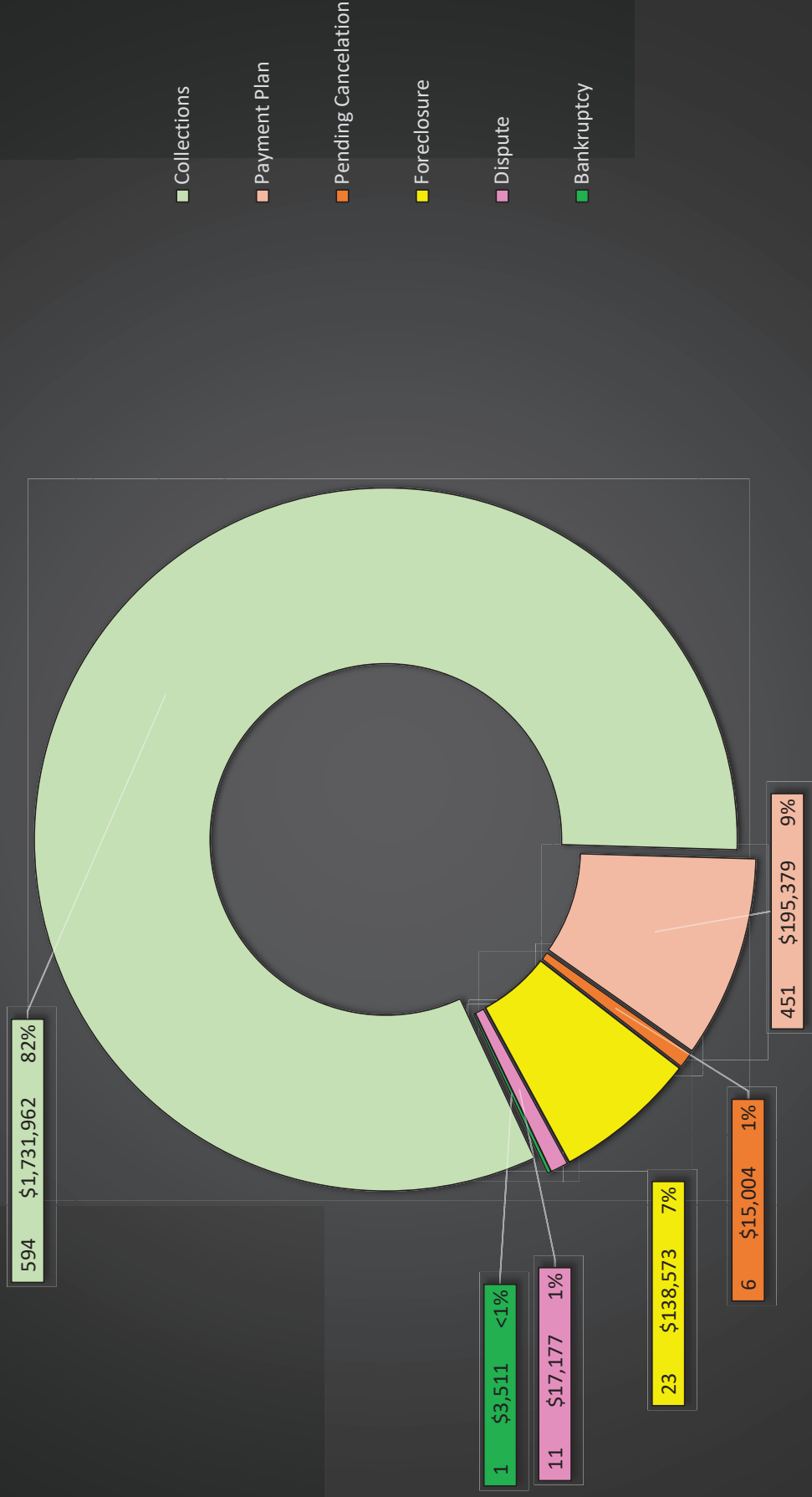
GTLOA Dues Paid as of 9/15 (Year over Year)



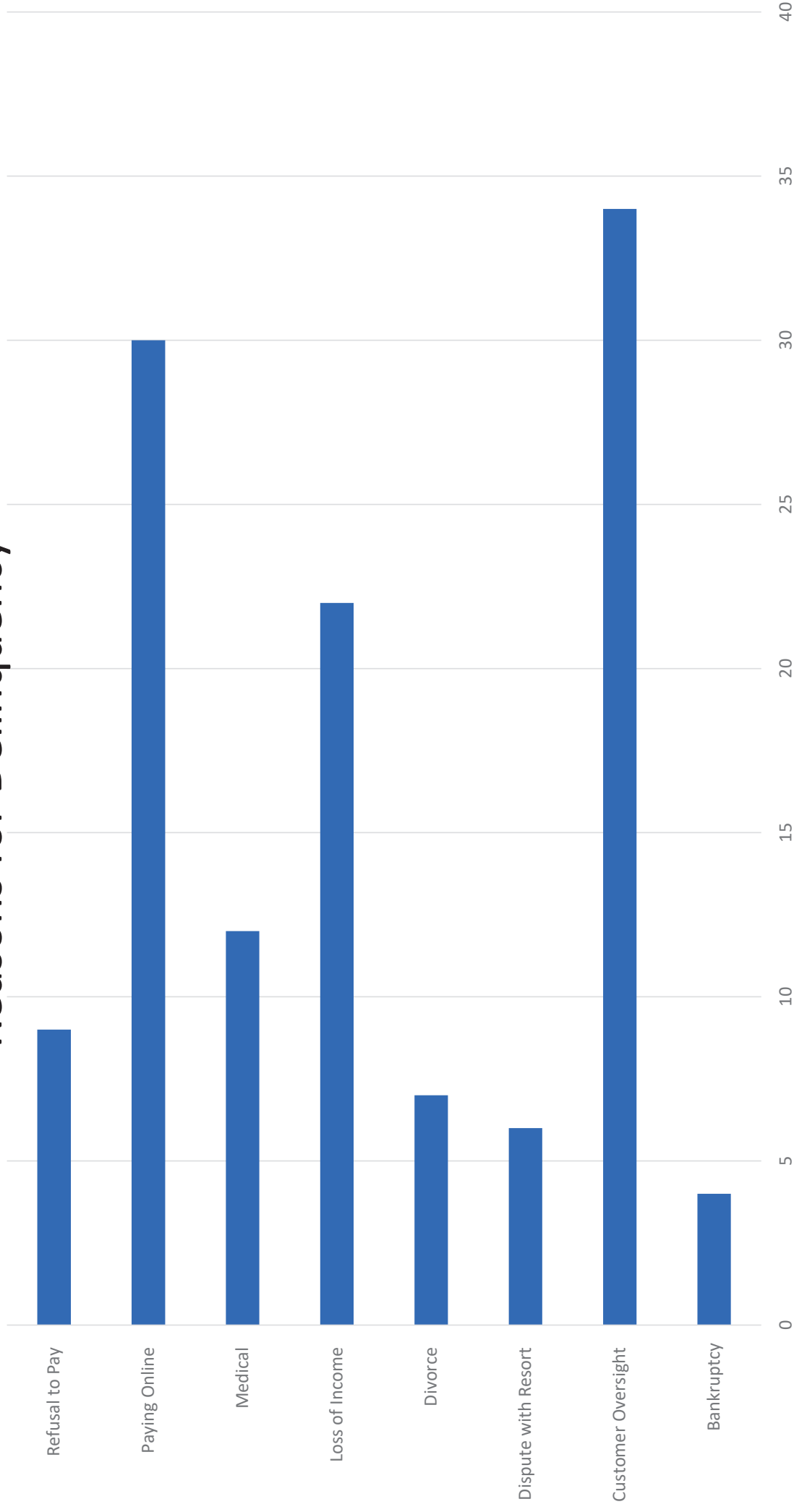
9/15/24 GTLOA Total AR Portfolio Aging Composition



9/15/24 GTLOA Greater Than 90 Days Past Due Composition



Reasons for Delinquency



GRAND TIMBER LODGE

[illegible]

Foreclosure List Approval

Per HB 22-1137, the list of foreclosures in process require Board approval.

EXHIBIT 1

Inventory/Interval	Past Due Amount (10/1/2023)
6106/8/E	\$3,569.86 (Deceased)
433/7/A	\$11,943.66 (Deceased)
224/2/E	\$929.51 (Deceased)
224/12/A	\$7,139.73 (Deceased)
6305/7/E	\$1,809.33 (Deceased)
134/1/E	\$3,569.86 (Deceased)
713/10/E	\$4335.80 (Deceased)
332/5/A	\$16,281.92 (Deceased)
225/12/E	\$3,830.40 (Deceased)
122/10/A	\$8,627.95 (Deceased)
322/6/E	\$929.51 (Deceased)
224/48/O	\$870.45 (Deceased)
123/2/E	\$929.51 (Deceased)
416/48/A	\$6,100.75 (Deceased)
813/7/E	\$2,678.00 (Deceased)
821/13/O	\$2,228.41 (Deceased)
216/18/O	\$8,324.64 (Deceased)
5105/40/E	\$8,255.34 (Deceased)
5201/45/O	\$8,136.51 (Deceased)

Motion: To approve the foreclosure list as presented.

Made by: Tom Endres

Seconded by: Matt Charley

Discussion: Timeshare exit programs are discussed, and it is shared that when Joe becomes aware of these programs that are scams, he reports them.

In favor: All

Opposed: None

Abstain: None

Reserve Review

Reserve Study Review October 2024

2024 Projects

This year's projects are progressing swiftly, with many completed in the first half of the year. Several initiatives that were initially budgeted in previous years have now come to fruition, while a few projects related to fire alarm and suppression systems have been deferred to next year due to vendor availability.

Two unbudgeted but essential projects emerged this year and are being accounted for under the contingency budget. These include the irrigation project for Building 6, aimed at addressing a leak, and the replumbing of the hot tub in Building 1, a necessary measure to ensure continued functionality of this amenity.

Grand Timber Lodge 2024 Unit Expenditures					
Description	Budget	2024 Expenditure	Cost Variance	Variance Notes	Status
Living Room Lamps	\$159,000	\$143,691	\$15,309	Deferred from 2023 - Decreased material cost	Complete
Unit Refresh - Model Unit (2023)	\$154,500	\$65,000	\$89,500	Decreased material cost	Complete
Matresses	\$128,132	\$111,546	\$16,586	Decreased material cost	Complete
Bedroom Lamps	\$110,004	\$106,000	\$4,004	Postponing to 2025	In progress - 2025
Annual Appliance Replacements	\$104,082	\$96,027	\$8,055	Sum of annual expenditures	In Progress - Year Round Installation
Unit Refresh - Model Unit (2024)	\$77,250	\$79,324	(\$2,074)	Increased labor cost	Complete
Blinds	\$47,792	\$56,164	(\$8,372)	Increased material cost and backstock	Complete
Design Fee for Unit Remodel	\$20,000	\$22,000	(\$2,000)	Increased labor cost	Complete
Smoke Detectors	\$14,059	\$15,026	(\$967)	Increased material cost	Complete
CO Detectors	\$10,907	\$11,924	(\$1,017)	Increased material cost	Complete
Contingency	\$10,000	\$8,269	\$1,731	Purchased additional rollaway beds	Complete
	\$835,726	\$714,971	\$120,755		

Grand Timber Lodge 2024 Common Area Expenditures					
Description	Budget	2024 Expenditure	Cost Variance	Notes	Status
Building 6 Window and Door Replacement Phase 2	\$567,530	\$571,739	(\$4,209)	Increased material cost	Complete
Digital Lock System (Including Panic Devices)	\$272,898	\$214,581	\$58,317	Decreased material cost	Complete
Shuttle Replacement - ADA	\$149,350	\$152,368	(\$3,018)	Deferred from 2023 - Increased material cost	Complete
Loan Payback	\$90,224	\$90,224	\$0		Complete
Fire Suppression - System Repiping	\$77,250	\$0	\$77,250	Postponing to 2025	In Progress - 2025
Heat Exchangers	\$67,362	\$35,000	\$32,362	Decreased quantity of exchangers	Complete
Exterior Paint - Bldgs 7 & 8	\$59,225	\$50,750	\$8,475	Decreased labor cost	Complete
Hallway Lighting	\$58,957	\$15,000	\$43,957	Decreased labor cost	Complete
Building 6 Hallway Carpet	\$42,848	\$41,926	\$922	Decreased material cost	In Progress - Fall Blocks
Building 4 Elevator Door Operator	\$41,200	\$15,000	\$26,200	Deferred from 2023 - Purchased door operator to have on the shelf when a failure takes place	Complete
Fire Alarm Panel Replacement	\$30,900	\$0	\$30,900	Removing from reserve schedule	Removing
Grand Room Update	\$29,818	\$0	\$29,818	Postponing to 2025	In Progress - 2025
Fire Suppression - Nitrogen Generator	\$23,175	\$0	\$23,175	Postponing to 2025	In Progress - 2025
Exterior Building Lighting	\$20,394	\$0	\$20,394	Postponing to 2025	In Progress - 2025
Contingency	\$20,000	\$22,300	(\$2,300)	Repair of Building 6 Drainage	In Progress
Boardroom Refresh	\$19,312	\$15,000	\$4,312	Decreased material cost	In Progress - November
Firepit	\$18,540	\$8,500	\$10,040	Decreased scope of work to repair gas line and add more concrete for elevated seating	Complete
Music System	\$15,450	\$12,389	\$3,061	Decreased labor cost	Complete
Day Use Room Furniture	\$12,746	\$8,400	\$4,346	Deferred from 2023 - Decreased quantity	Complete
Common Area Art and Decor	\$10,000	\$7,000	\$3,000	Decreased material cost	Complete
Activities Center Update	\$7,312	\$8,500	(\$1,188)	Increased material cost	Complete
Luggage Carts	\$7,000	\$7,594	(\$594)	Increased material cost	Complete
FFC Update	\$6,262	\$4,400	\$1,862	Decreased material cost	Complete
NO2 Sensors	\$6,180	\$10,630	(\$4,450)	Increased material cost	Complete
Drinking Fountains	\$5,768	\$4,224	\$1,544	Decreased material cost	Complete
Housekeeping Cart PAR	\$5,250	\$3,080	\$2,170	Decreased material cost	Complete
Outdoor BBQ Grill PAR	\$5,000	\$4,083	\$917	Decreased material cost	Complete
Library - Bathroom Remodel	\$3,605	\$2,400	\$1,205	Deferred from 2023 - Decreased labor	In Progress - November
Guest Laundry Washer & Dryer PAR	\$3,600	\$3,600	\$0	Exact material cost	Complete
Bicycle Racks	\$3,296	\$4,690	(\$1,394)	Deferred from 2023 - Increased material cost.	Complete
Trash Chute Doors	\$2,317	\$3,009	(\$692)	Increased material cost	Complete
Garage Striper	\$1,037	\$1,700	(\$663)	Increased material cost	Complete
Business Center Update	\$1,030	\$190	\$840	Decreased material cost	Complete
Shuttle - Lobby Tracker Display	\$1,030	\$500	\$530	Decreased material cost	Complete
Key Drop Boxes	\$824	\$849	(\$25)	Increased material cost	Complete
Building 1 Exterior Hot Tub Plumbing	\$0	\$244,700	(\$244,700)	Unplanned Expense	In Progress
	\$1,686,690	\$1,564,326	\$122,364		

2025 Projects

We are thrilled to announce the commencement of our 2025 projects, marking the beginning of a seven-year initiative to revitalize the property through comprehensive building-to-building upgrades. The scope of work, which will extend through 2031, includes significant improvements designed to enhance both functionality and aesthetics.

In the first year, we will focus on Buildings 1 & 2, addressing the following areas:

- We will conduct unit renovations, with an emphasis on bathroom updates and new flooring.
- Roof replacements are scheduled to take place.
- Hallway carpet upgrades will be completed.
- Door replacements will be made throughout the building.

In addition to the updates throughout Buildings 1 & 2, we are excited to enhance other key areas across the property:

- We will be painting the exterior of Building 6.
- Flooring will be replaced at the elevator landings.
- We will install new windows and balcony doors in Building 7.
- The automatic glass entry doors will be replaced.
- Trim updates will be completed in common areas.

Grand Timber Lodge 2025 Unit Expenditures	
Description	Budget
Buildings 1 & 2 Unit Refreshes	\$ 1,472,900
Appliance Replacements	\$ 112,347
Blinds	\$ 46,350
Decorative Bedding	\$ 31,666
Kitchen - Range - PAR	\$ 10,506
Contingency	\$ 10,000
	\$ 1,683,769

Grand Timber Lodge 2025 Common Area Expenditures	
Description	Budget
Building 7 Window and Balcony Doors	\$ 363,889
Buildings 1 & 2 Roofs	\$ 277,989
Buildings 1&2 Doors	\$ 218,772
Fire Suppression System Repiping	\$ 159,135
Garage Scrubber	\$ 87,550
Family Fun Center Paint and Carpet	\$ 68,337
Garage - Elevator Landing Tile	\$ 61,903
Automatic Glass Entry Doors	\$ 61,800
Hallway Carpet - Buildings 1 & 2	\$ 56,248
Exterior Paint - Bldg 6	\$ 55,620
Fire Suppression - Nitrogen Generator	\$ 47,741
Trim Pack	\$ 26,368
EV Stations	\$ 25,750
Hallway - Paint	\$ 22,996
Exterior Building Lighting	\$ 21,006
Contingency	\$ 20,000
Heat Exchangers	\$ 17,185
Building 1 Lobby Update	\$ 16,995
Grand Room - Carpet	\$ 13,133
Housekeeping Breakroom - Laundry Appliances	\$ 12,360
Emergency Lighting	\$ 10,382
Common Area Art & Decor	\$ 10,300
Outdoor - Benches and Picnic Tables	\$ 10,300
Housekeeping Breakroom - Chairs and Tables	\$ 8,951
Luggage Carts	\$ 7,210
Stairwell - Paint	\$ 7,210
Housekeeping Carts	\$ 5,408
Outdoor - Benches - Grill Areas	\$ 5,150
Outdoor - Chairlift Swings	\$ 5,150
Outdoor BBQ Grills	\$ 5,150
Guest Laundry	\$ 4,944
Outdoor BBQ Grill Lighting	\$ 4,635
Trash Chute Doors	\$ 1,700
Boardroom - Art & Décor	\$ 1,030
	\$ 1,722,295

The March Group

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**THE MARCH GROUP**

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Dear GTLOA 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 Timber Lodge's portfolio is well-positioned for the end of the year and going into 2025. Approximately 79% of the portfolio is allocated to short-term Treasury Bills, yielding approximately 4.44%. The remaining 21% 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:

\$614,000 US Treasury – 4.796% maturing 12/10/24
\$839,000 US Treasury – 4.342% maturing 3/13/25
\$1,525,000 US Treasury – 4.351% maturing 3/13/25
\$9,000 US Treasury – 4.796% maturing 12/10/24

\$250,000 Market Linked CD – 0.00% maturing 6/29/28
\$250,000 Market Linked CD – 0.00% maturing 6/30/28
\$250,000 Market Linked CD – 0.00% maturing 6/5/29
\$50,000 Market Linked CD – 0.00% maturing 1/31/29

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

Very truly yours,

Nico F. March
Managing Director

GTLOA Financial Snapshot October 2024

Grand Timber Lodge Owners Assoc.				
Annual HOA Dues Analysis- Fractional 2 Bedroom				
Year	Annual Dues	Annual \$ Incr (Decr)	Annual % Incr (Decr)	
2025	\$ 1,837.46	\$ 96.03	5.5%	
2024	\$ 1,741.43	\$ 137.98	8.6%	
2023	\$ 1,603.45	\$ 143.63	9.8%	
2022	\$ 1,459.82	\$ 91.17	6.7%	
2021	\$ 1,368.65	\$ 115.81	9.2%	
2020	\$ 1,252.84	\$ 75.51	6.4%	
2019	\$ 1,177.33	\$ 84.77	7.8%	
2018	\$ 1,092.56	\$ 83.22	7.9%	

- 2025 % Increase to the Dues Breakdown (2BR Annual):
 - Operating Fund – 2.4% of total increase
 - Total Reserve – 3.1% of total increase
 - Unit Reserve – 1.1% of total increase
 - Common Reserve – 2.0% of total increase

Grand Timber Lodge Owners Assoc.						
Operating Fund Budget to Actual Analysis						
	Total	Budgeted	Actual	\$ Favorable	% Favorable	
	Budgeted	Surplus	Surplus	(Unfavorable)	(Unfavorable)	
<u>Year</u>	<u>Assessments</u>	<u>(Deficit), net</u>	<u>(Deficit), net</u>	<u>Variance</u>	<u>Variance</u>	
2016	\$ 8,660,971	\$ -	\$ 213,752	\$ 213,752	2.5%	
2017	9,196,125	-	300,351	300,351	3.3%	
2018	9,924,226	-	(95,449)	(95,449)	-1.0%	
2019	10,630,499	-	443,799	443,799	4.2%	
2020	11,399,247	-	200,134	200,134	1.8%	
2021	12,348,997	(500,000)	(281,997)	218,003	1.8%	
2022	13,169,854	(100,000)	262,221	362,221	2.8%	
2023	14,621,515	(175,000)	(197,810)	(22,810)	-0.2%	
2024	15,708,960	-	159,670	159,670	1.0%	
Totals	\$ 105,660,394	\$ (775,000)	\$ 1,004,671	\$ 1,779,671	1.7%	
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 30-year forecast:
 - Unit – 12.1%
 - Common – 4.2%

Proposed 2025 Budget Approval

Grand Timber Lodge Owners' Association

Proposed 2025 Budget Summary

General Summary

Total Proposed 2025 GTLOA Owner Assessment: \$16,558,226 (5.4% increase worth \$849,266)

GTLOA began 2024 with an audited Operating Fund Balance of approximately \$724K. GTLOA is forecasting a \$160K surplus at the end of 2024, resulting in an estimated operating retained earnings balance of \$884K. The 2025 budget does not include any Operating Fund Surplus reduction as BGV recommends transferring a portion of the surplus to fund the Reserves. We look forward to further discussion at our meeting.

Grand Timber Lodge Owners Association				Operating Fund		
Operating Fund Rollforward:				Budget	Forecast	Variance
2023 Ending Operating Fund - audited				\$ 724,141	\$ 724,141	\$ -
2024 Excess (Deficiency) of Revenues						
Over Expenses - forecasted				\$ -	\$ 159,670	\$ 159,670
2024 Ending Operating Fund				\$ 724,141	\$ 883,811	\$ 159,670

The primary reasons for the 2025 budget increase are due to variables in the line items below:

- Insurance- The forecasted insurance expense for 2024 is approximately \$15K higher than the budgeted amount in 2024 and the premium is expected to increase again in 2025. The proposed 2025 insurance expense reflects a 15% increase (\$119K) 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.
- Natural Gas- As the current five-year contract for natural gas at all three of BGV's managed resorts concludes at the end of 2024, the available fixed pricing for 2025 reflects an 81% (\$218K) increase over 2024 budget.
- Reserve Funding- The 2025 reserve contribution increases include common 22% (\$309K) and unit 11% (\$179K) respectively. This adjustment is necessary to maintain the established funding levels, allowing us to address future capital expenditures and long-term maintenance needs, all of which are critical to sustaining the value and functionality of the resort.

New this year, an Income Tax line has been added to the 2025 GTLOA budget. The association is forecasting an income tax liability of approximately \$50K for 2024 based on 2023 budget 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 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%.

2025 Budget vs. 2024 Budget & 2024 Forecast

	Proposed 2025 Budget	2024 Budget	Incr (Decr) 2025 Budget To 2024 Budget \$'s	%'s	NOTES - Incr/Decr for all variances 10% or \$20K '25 vs '24 Budget
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Revenues

Owner Assessment Inc	\$ 16,558,226	\$ 15,708,960	\$ 849,266	5.4%	The 2025 budget to 2024 budget increase is the net aggregate of income and expenses.
Late Fee Income	207,003	128,082	78,921	61.6%	This 2025 budget to 2024 budget increase is due to more enforcement of late fee policies.
Vacation Experience Fee Income	386,943	295,047	91,896	31.1%	The 2025 budget to 2024 budget increase is due to new terms with Interval International.
Rental Resort Fee Income	649,269	550,933	98,336	17.8%	The 2025 budget to 2024 budget increase is due to increased rental rates and occupancy.
Interest Income	207,189	14,136	193,053	1365.7%	The 2025 budget increase is based on estimated income per market trends.
Gains/Loss Investment	62,273	0	62,273	100.0%	The 2025 budget increase compared to the 2024 budget is due to the addition of this line item, based on projected investment gains.
Other Revenue	(308,293)	(267,162)	(41,131)	15.4%	
Total Revenue	17,762,609	16,429,996	1,332,613	8.1%	

Expenses

Income Tax	49,500	0	49,500	100.0%	The increase from the 2024 to 2025 budget is due to the creation of this new line item. Income taxes are based on estimated payments from the prior year, reflecting interest income and gains on investments.
Water and Sanitation	283,539	205,989	77,550	37.6%	The 2025 budget to 2024 budget increase is due to increased water and sanitation rates.
Management Fee	1,168,778	1,002,383	166,395	16.6%	The 2025 budget to 2024 budget increase 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.
Dues Payment Servicing	101,064	77,610	23,454	30.2%	The 2025 budget to 2024 budget increase is due to the 2024 trending forecasted costs + a .25% contractual increase.
Collection Expense	44,990	65,524	(20,534)	-31.3%	The 2025 budget to 2024 budget decrease is due to the 2024 trending forecasted costs + a .25% contractual increase.
Owner Relations Fee	1,530,596	1,645,868	(115,272)	-7.0%	The 2025 budget to 2024 budget decrease is due to the introduction of BGV's next development and negotiated labor expense offset with Interval International.
Insurance	880,944	747,000	133,944	17.9%	The 2025 budget increase to 2024 budget is due to estimates by as much as 30% increases in certain insurance segments while others may remain flat, per the insurance carrier. The 2025 budget is currently at a 15% increase to 2024 policy.
Common Area Cleans	1,007,129	0	1,007,129	100.0%	The 2025 budget to 2024 budget increase is due to the separation of Housekeeping Cleaning and Common Area Cleaning for more accurate allocation to ownership unit types.
Housekeeping Cleaning	2,934,071	3,755,604	(821,533)	-21.9%	The 2025 budget to 2024 budget decrease is due to the separation of Housekeeping Cleaning and Common Area Cleaning for more accurate allocation to ownership unit types.
Unit Electric	201,926	267,204	(65,278)	-24.4%	The 2025 budget to 2024 budget decrease is due to savings related to our partnership with Pivot Energy solar gardens.
Unit Gas	487,252	268,817	218,435	81.3%	The 2025 budget to 2024 budget increase is due to the expiration of the current natural gas contract and the subsequent need to secure new pricing at a higher rate.
Unit Reserves	1,802,462	1,623,845	178,617	11.0%	The budget increase is due to the necessary contribution to maintain the reserve funding.
Common Reserves	1,716,100	1,406,645	309,455	22.0%	The budget increase is due to the necessary contribution to maintain the reserve funding.
Other Expenses	5,554,256	5,363,507	190,749	3.6%	
Total Expense	17,762,609	16,429,996	1,332,613	8.1%	

Net Income / (Loss)

\$	-	\$	-	\$	-
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Dues Comparison

<u>Unit Size</u>	<u>2024 Dues</u>	<u>2025 Proposed</u>	<u>Dues Increase</u>	<u>Dues % Increase</u>
Two Bedroom Annual	\$ 1,741.43	\$ 1,837.46	\$ 96.03	5.5%
Commercial	\$ 12,621.38	\$ 10,885.32	\$ (1,736.06)	-13.8%
Whole Ownership	\$ 25,242.76	\$ 21,770.63	\$ (3,472.13)	-13.8%

Commercial/Whole Ownership Dues- In the 2025 budget, we made a notable change to our budgeting approach by separating In-Room Cleaning and Common Area Cleaning expenses. Previously, these costs were combined and allocated evenly among all owner unit types based on square footage. However, during budget preparation, it became clear that commercial and whole ownership units should not share the cost of daily and weekly cleaning for fractional ownership.

As a result, this adjustment has led to a decrease in dues for both Commercial and Whole Ownership, reflecting a more accurate distribution of cleaning costs.

BOARD ACTION REQUIRED

MOTION: To approve the proposed GTLOA 2025 budget.

MADE BY: Tom Endres

SECONDED BY: Matt Charley

DISCUSSION:

- Clarification is requested on what triggered this deeper dive into whole ownership allocation, which was due to Faren's due diligence in her new role as HOA controller. BGV is committed to always seeking greater accuracy with this budget and will continue to be forthcoming when any opportunities for greater accuracy arise.
- The substantial increase in Late Fee Income is discussed as to why this is the case. Joe clarifies that due to being stricter on not waiving late fees is one cause and the second is due to the House Bill (22-1137) that now allows us to email past due owners in collections that we weren't able to previously.
- Commercial ownerships are discussed-what is included in commercial dues and how they are allocated which is by square footage.

Action Item: Faren and team to look at commercial dues to see if there is an opportunity for greater accuracy beyond the square footage allocation currently driving the dues.

IN FAVOR: All

OPPOSED: None

ABSTAIN: None

Strategic Budget Plan

As agreed upon in previous years, we have updated the GTLOA 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 GTLOA Annual Budget and Management Fees.

GTLOA General and Administrative Expenses			2025 to 2024	2025 to 2024
	GTL 2025	GTL 2024	\$ Variance	% Variance
Accounting	\$ 226,702	\$ 133,246	\$ 93,456	70.1%
Accounts Receivable Mgmt	143,141	133,246	9,896	7.4%
Analytics	32,007	46,754	(14,746)	-31.5%
Compliance	53,130	55,558	(2,428)	-4.4%
Contracts	12,697	11,673	1,023	8.8%
Creative Services	2,636	5,774	(3,138)	-54.4%
Employee Experience	75,264	83,131	(7,867)	-9.5%
Human Resources	256,397	258,218	(1,821)	-0.7%
Information Technology	498,009	483,123	14,886	3.1%
Sustainability	50,623	52,736	(2,112)	-4.0%
Subtotal	1,350,607	1,263,459	87,148	6.9%
HOA Budgeted Management Fee	(1,168,778)	(1,002,383)	(166,396)	16.6%
Total G&A Developer Contribution	\$ 181,829	\$ 261,076	\$ (79,247)	-30.4%

General Manager Report

Grand Timber Lodge General Manager Report October 2024

As we look back on the summer of 2024, Grand Timber Lodge experienced an exciting season of growth and improvements, marked by a rise in resort occupancy and the completion of several projects. Despite high occupancy rates, several unplanned projects were executed, including the repair of the Building 6 drainage and the Building 1 outdoor hot tub plumbing.

Resort Improvements:

- A second mock unit has been completed in preparation for the unit refresh project that kicks off next year. We have learned a tremendous amount during these mock units regarding scope, timelines, and materials. We feel well prepared to tackle Buildings 1 and 2 this coming spring.
- The digital lock system has been updated throughout the resort. This includes all new door handles and locksets with an easier to use and more secure product.
- Landscape has been excavated on the west side of Building 6 to repair drainage issues. The Engineering Department was able to complete this project in-house, resulting in significant cost savings of approximately \$40K.
- The Building 1 outdoor hot tubs are receiving new plumbing following unforeseen failures in the original plumbing. This project will be completed in time for the opening of the 2024-2025 ski season.
- The outdoor firepit received a facelift this summer. The gas lines were replumbed, a timer was added, and more concrete was poured which allowed additional seating. These improvements have been a huge hit with owners and guests.

Sustainability and Safety Efforts:

- We are thrilled to share that Breckenridge Grand Vacations and Grand Timber Lodge were recipients of the Environmental Protection Agency (EPA) Region 8 Pollution Prevention Recognition Award. This award was given for the modifications made to the GTL snowmelt system which lowered natural gas usage, resulting in fewer greenhouse gas emissions and energy cost savings for the GTLOA.
- A dedicated charging station for electric bike batteries was added to the Building 5 breezeway, following the great recommendation from the GTLOA Board of Directors. This provides our owners and guests with a secure place to charge and lock up their batteries while reducing the risk of a battery overheating in a unit.

Staffing Updates:

- 2024 has been a momentous year for retention at GTL with all departments consistently operating at near full staffing levels. We are looking forward to entering winter with a tenured team to provide our owners and guests with the best service possible.

- Marina Carpio has accepted the role of Assistant Housekeeping Manager. Marina worked at GTL for over ten years before moving into various other roles within BGV. We are extremely excited to welcome Marina to GTL!

Looking Ahead

Anticipating the year ahead, here are the noteworthy upcoming projects slated to take place at Grand Timber Lodge:

- Buildings 1 & 2 will receive a facelift, including:
 - Unit refreshes focusing on bathrooms and flooring.
 - Roof replacements, including new heat tape and gutters.
 - The replacement of hallway carpet.
 - Hallway doors will be updated.
 - Common area trim will begin to be upgraded.
- Building 6 will receive new exterior paint.
- The first half of Building 7 window and door replacements will be completed.
- We will be replacing the sliding glass doors in Buildings 1 and 6.
- LED lighting will be added to the exterior areas of the property.

GTL Trip Advisor Stats:

- Currently ranked #5 of 18 properties under “Hotel” category
- 4.5 out of 5 stars
- To read our reviews, please click [here](#)

GTL Service Score Comparison	Last Year's Avg 5/5/23 - 8/31/23	This Year's Avg 5/5/24-8/31/24
Amenities	9.14	9.01
Room Accommodations	8.72	8.87
Resort Staff	9.19	9.12
GNPS	60.88	60.96
GONPS	64.73	65.06

Action Item: Get a new set of reusable high-end key fobs that can be sold similar in function to the leather fobs we had with the old key system.

NEW BUSINESS/UPDATES

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 GTLOA. 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.

Summer BiGVARS Summary

This information was also shared in the July 2024 Missive.

Approximately 2,023 owners representing 2,105 contracts placed requests to make reservations for the summer 2024 season. This year, the participation rate was up by roughly 3.1%, or 62 owners, compared to 2023. Overall participation was 73.4% of eligible owners.

The assignment numbers did fluctuate slightly over 2023. We believe this is due to the increase in participation of owners. Specifically, here are the results:

- 42.99% (905 contracts) were assigned their top choice (down from 48.06% in 2023)
- 57.15% (1,203 contracts) were assigned a top 3 preference (down from 62.88% in 2023)
- 74.96% (1,578 contracts) were assigned a top 6 preference (down from 80.40% in 2023)
- 91.26% (1,921 contracts) were assigned a top 15 preference (down from 92.02% in 2023)
- 2.28% (23 contracts) were assigned a choice outside of their top 15 (up from 1.08% in 2023)
- 6.46% (136 contracts) did not receive any of their choices and were auto-assigned (down from 6.89% in 2023)
- 1.19% (25 contracts) of owners were unassigned a preference (new assignment option for 2024)

Of the 2,105 contracts represented in the assignment process, 136 were automatically assigned a week. For comparison, there were 140 automatic assignments last year. In addition, of the owners that chose not to be auto-assigned if none of their preferences were available, 25 owners were not assigned a preferred check-in day. As you know, priority during the next reservation round is increased for those who did not receive one of their top choices. This maintains our efforts to fairly distribute top choice preferences amongst all summer owners moving forward.

Breckenridge Grand Vacations understands that not all owners will favor this reservation request and assignment process, and we remain 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.

Governance Updates

Proposed GTLOA Rules and Regulations Update

Changes are highlighted with ~~striketrough~~ and in *purple*.

Schedule 1 of the Rules and Regulations

~~Any~~ Owners who were not assigned ~~a~~ *any* check-in day based on their preferred choices *will either remain unassigned* or automatically be assigned to a remaining check-in day, *depending on the Owner's selection at the time or request submission.* ~~based on the remaining inventory.~~ These assignments will be at random, based on the remaining inventory.

BOARD ACTION REQUIRED

MOTION: To approve the proposed update to the GTLOA Rules and Regulations regarding Schedule 1 as noted above.

MADE BY: TOM ENDRES

SECONDED BY: MATT CHARLEY

DISCUSSION: NONE

IN FAVOR: ALL

OPPOSED: NONE

ABSTAIN: NONE

Assessments – Section H

Due to the changes to HB 22-1137 regarding Collections, the following change to the Rules and Regulations is proposed per legal counsel.

H. PAYMENT OF VACATION UNIT ASSESSMENT

1. The Vacation Unit Assessment shall be due annually on February 1st each year. The Association shall bill each Vacation Owner annually; however, a Vacation Owner's failure to receive a bill shall not excuse payment of an installment. ~~Failure to pay an installment within thirty (30) days of its due date shall result in the addition of a late fee in the amount of up to five percent (5%) of the unpaid fee.~~ All unpaid installments and late fees shall bear interest at the rate of ~~eighteen~~ eight percent (18%) (8%) per annum (1.5% per month) until the unpaid installment(s), late fees and accrued and unpaid interests are paid. All costs of collection, ~~not to exceed 35%~~ *the limitations set forth in the Act,* of the amount collected, will be added on to all accounts sent to collections and these fees along with any associated legal fees will be the responsibility of the owner.

BOARD ACTION REQUIRED

MOTION: To approve the proposed update to the GTLOA Rules and Regulations regarding Section H - Payment of Vacation Unit Assessment as noted above.

MADE BY: JAMES HAGERMAN

SECONDED BY: MATT CHARLEY
DISCUSSION: NONE
IN FAVOR: ALL
OPPOSED: NONE
ABSTAIN: NONE

Governance Policy – Collections Policy (attachment)

To align with the update to HB 22-1137 with the passing 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 GTLOA Governance Policy/Collections Policy as provided in the attachment by legal counsel with the addition of the word **can** as bolded above.

MADE BY: TOM ENDRES
SECONDED BY: JAMES HAGERMAN
DISCUSSION:
IN FAVOR: ALL
OPPOSED: NONE
ABSTAIN: NONE

Annual Meeting Preview

GRAND TIMBER LODGE OWNERS' ASSOCIATION 2024 ANNUAL MEETING AGENDA

Call to Order – Establish Quorum of 10% – Marc Block, GTLOA Board President

Call for Changes to the Agenda – Marc Block, GTLOA Board President

Introductions – Nick Borovich, GTL General Manager
Board of Directors and Advisory Committee
Affiliate Representative
Management Company

Call for the Approval of 2023 Annual Meeting Minutes – Marc Block, GTLOA Board President – *owner vote required*

Audited Financial Statement Review for the Fiscal Year Ending December 31, 2023 – Faren McDonald, HOA Controller

Interval International Update – Chris McGill, Interval International

General Manager Report – Nick Borovich, GTL General Manager

Questions & Comments from the Floor – Marc Block, GTLOA Board President

Board of Directors and Advisory Committee Election Results – Peggy Helfrich, HOA Operations Manager

Adjournment – Marc Block, GTLOA Board President

Board/Advisory positions for owner election:

Board:

Tom Endres – rerunning

Mark Orton – rerunning

Interested:

No other candidates

Advisory Committee:

Harold DeWeese - rerunning

Dave George - rerunning

Richard Mozykowski – rerunning

Renae Phillips - rerunning

Interested:

Donnie Beson

Larry Giddings

Rusty Gulbranson

Jack Hezlep

Michael Hoppers

Parker Kniffin

Julia Murrow

Lin Simpson

Peter Strom

Barbara Wilson

MISCELLANEOUS

Comments To/From Staff

Tom Endres provides the reminder and expresses gratitude that owners can book discounted rooms at The Breck Inn.

Action Item: Confirm that BGV is in compliance in enforcing fines and ensure staff is enforcing fines appropriately.

Action Item: BGV to keep data on the guest type when fines are charged.

Action Item: Look into feasibility of tracking guests attempting to bring dogs on property

Important Dates

Suggested next meeting dates:

- Finance Committee Meetings – Microsoft Teams
 - Tuesday, 4/8/2025 – 3-5pm MT
 - Tuesday, 10/7/2025 – 3-5pm MT
- Board meetings:
 - Tuesday, 4/15/2025 – 3-5pm MT - Microsoft Teams
 - Saturday, 10/18/2025– Board and Annual Meeting
 - **Action Item:** BGV to take a look at potentially moving the Board and Annual Meeting back by one week.
 - 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 1/1/2021 – 12/31/2030
 - Auto-renews for successive periods of 5 years
 - Action for change required 180 days prior to auto-renewal
- Interval International:
 - Expires 12/31/2024
 - No auto-renewal
- Resale Agreement:
 - New agreement went into effect 1/1/2019 and auto-renews annually
 - Action required with written notice 90 days prior to auto-renewal
- External Reserve Studies Review:
 - Every 5 years
 - Due next in 2026
- The Boot Saloon Restaurant Lease
 - Expires 4/30/2029
 - Option to renew the lease for two additional 5-year terms
 - Notice to exercise renewal must be given between 365 and 180 days before the end of the lease

Action Items

Review Current Action Items

- No outstanding Action Items

Action Item Summary

Action Item: Faren and team to look at commercial dues to see if there is an opportunity for greater accuracy beyond the square footage allocation currently driving the dues.

Action Item: Get a new set of reusable high-end key fobs that can be sold similar in function to the leather fobs we had with the old key system.

Action Item: Confirm that BGV is in compliance with enforcing fines and ensure staff is enforcing fines appropriately.

Action Item: BGV to keep data on the guest type when fines are charged.

Action Item: Look into feasibility of tracking guests attempting to bring dogs on property in order to find proper education avenues.

Action Item: BGV to take a look feasibility of moving the Board and Annual Meeting back by one week.

Election of Officers:

Current Officers:

President: Marc Block

Vice President: Lew Phinney

Treasurer: Mark Orton

Secretary: Tom Endres

2025 Officer Election

President: Marc Block

Vice President: Matt Charley

Treasurer: Mark Orton

Secretary: Tom Endres

Finance Committee:

Mark Orton - Chair

Marc Block

Nick Doran

David George

Matt Charley

James Hagerman

Adjournment:

Time: 10:56am

By: Matt Charley