

GRAND TIMBER LODGE OWNERS ASSOCIATION

BOARD OF DIRECTORS MEETING MINUTES

10/18/2025

Attendance:

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

Advisory Committee Members Present: Malinda Peterson, Renae Phillips, Tom Wood, Chris Maciejewski, David George

Management Present: Peggy Helfrich, Kari Sommers, Joseph Clark-Fulcher, Faren McDonald, Kimberly Tramontana, Joanni Linton, Eli Yoder, Nick Borovich

Call to Order – Marc Block

Time: 9:33am

MINUTES

In an effort to minimize the size of the board packet, please find a link to the GTLOA 4/15/25 Board Meeting minutes.

<https://bit.ly/GTLOAMeetingMinutes>

BOARD ACTION REQUIRED

MOTION: To approve the 4/15/2025 Board Microsoft Teams Minutes.

MADE BY: Lew Phinney

SECONDED BY: Mark Orton

DISCUSSION: None

IN FAVOR: All

OPPOSED: None

ABSTAIN: None

FINANCIALS

Excess Income Resolution

The approval and signing of this resolution was tabled from the 4/15/25 Board meeting to the 10/18/25 Board meeting.

RESOLUTION OF Grand Timber Lodge Owners Association, Inc.

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

WHEREAS Grand Timber Lodge 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 October 18, 2025.

BY:

President

ATTESTED:

Secretary

The GTLOA 2024 Audited Financials and Resolution for IRS Ruling 70-604 will be approved at the 4/15/25 Board meeting with a recommendation from the Finance Committee.

BOARD ACTION REQUIRED

MOTION: To approve the GTLOA Resolution for IRS Ruling 70-604.

MADE BY: Lew Phinney

SECONDED BY: James Hagerman

DISCUSSION: Discussion included whether this resolution needs to be signed annually or if policy could be implemented to suffice instead. During the meeting, the auditor confirmed that this does need to be signed annually.

IN FAVOR: All

OPPOSED: None

ABSTAIN: None

GTLOA Finance Committee Update

GTLOA August 2025 Unaudited Financials

Grand Timber Lodge

Financial Summary August 31, 2025

	YTD <u>Actual</u>	YTD <u>Budget</u>	\$ Variance <u>Fav (Unfav)</u>	% Variance <u>Fav (Unfav)</u>
Operating:				
Income	\$8,970,407	\$9,105,746	(\$135,338)	-1%
Expenses	9,131,463	9,003,532	(127,931)	-1%
Operating Surplus (Deficit)	(161,056)	102,214	(263,270)	-258%
Reserves: (Unit and Common)				
Income	2,428,713	2,345,709	83,004	4%
Expenses	3,013,568	2,507,091	(506,477)	-20%
Reserve Surplus (Deficit)	(584,855)	(161,382)	(423,474)	-262%
Operating and Reserve Surplus (Deficit)	(\$745,911)	(\$59,168)	(\$686,743)	-1161%

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

The Finance Committee met on 10/7/2025 and will make a recommendation to accept the GTLOA August 2025 unaudited financials.

BOARD ACTION REQUIRED

MOTION: To accept the August 2025 Unaudited Financials.

MADE BY: Tom Endres

SECONDED BY: Matt Charley

DISCUSSION: The 2025 GTLOA Budget forecast is projected to end within one percent variance of revenue and expenses. Looking at the overall picture is much more positive than the unfavorable variance seen above.

IN FAVOR: All

OPPOSED: None

ABSTAIN: None

Accounts Receivable Update

GTLOA Summary Fall 2025



93% dues paid as of 9/15/25 (94% paid as of 9/15/24)

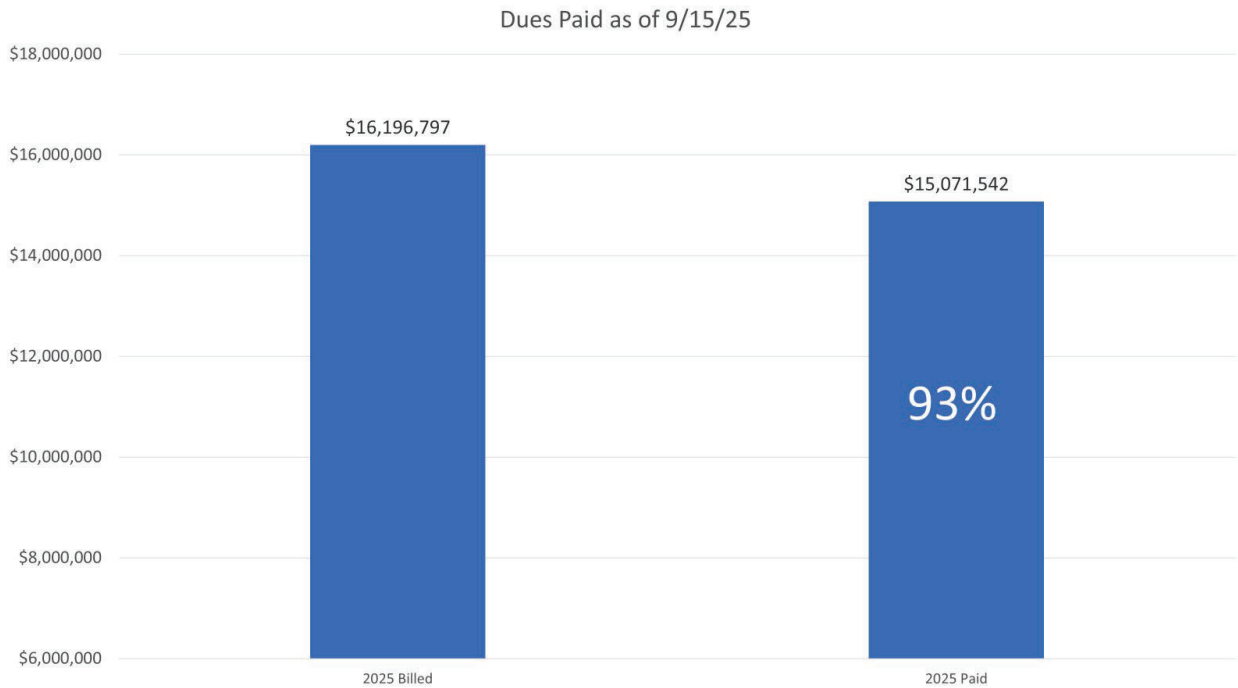
EOY 2024:

96% of dues paid

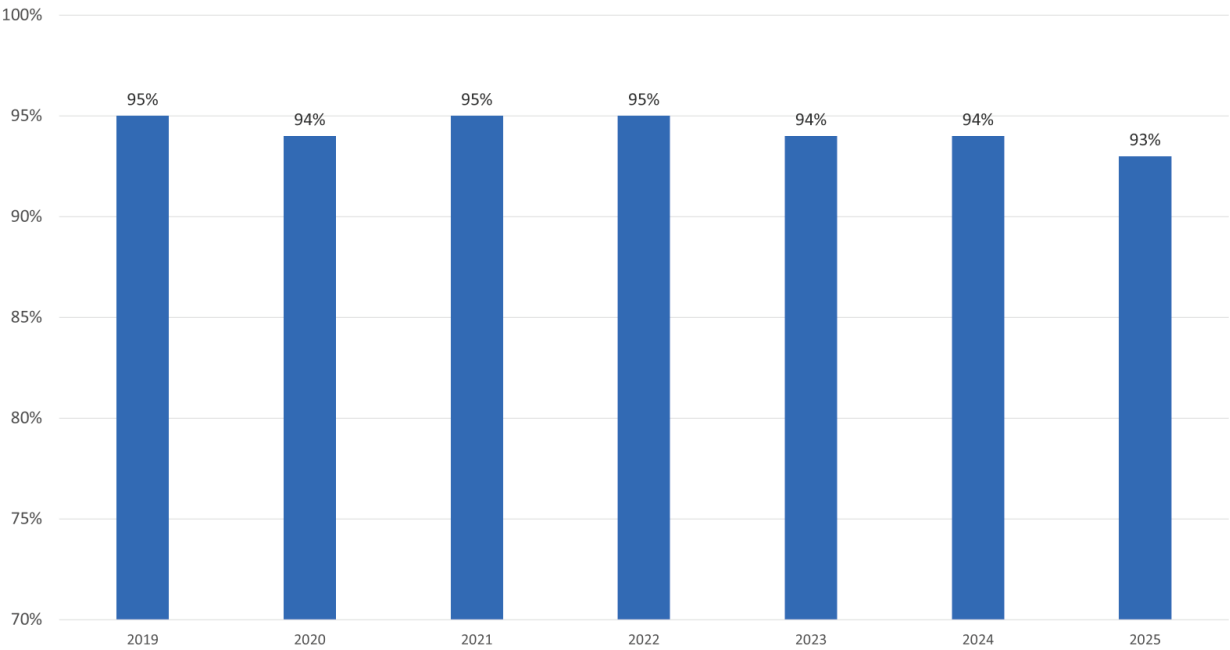
- 107 deeds recovered via BGVARM:
 - \$262,766 in bad debt (49 accounts with past due balances when canceled)
 - \$ 45,218 gained in deed in lieu income (27 accounts)

As of 9/15/25:

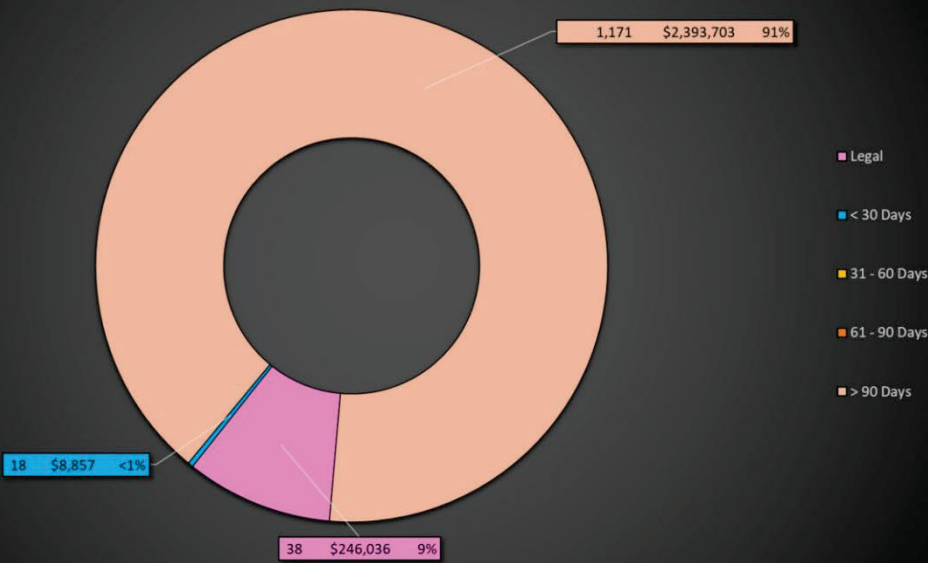
- 84 deeds recovered via BGVARM:
 - \$101,908 past due balance at the time of charge-off (35 accounts)
 - \$18,494 gained in deed in lieu income (11 accounts)



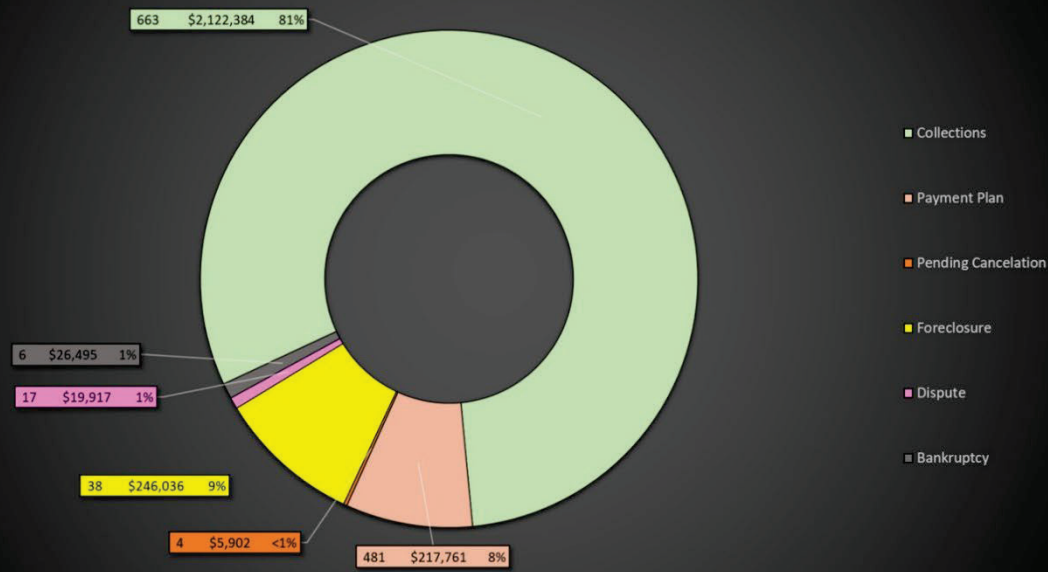
HOA Dues Paid as of 9/15 (Year over Year)



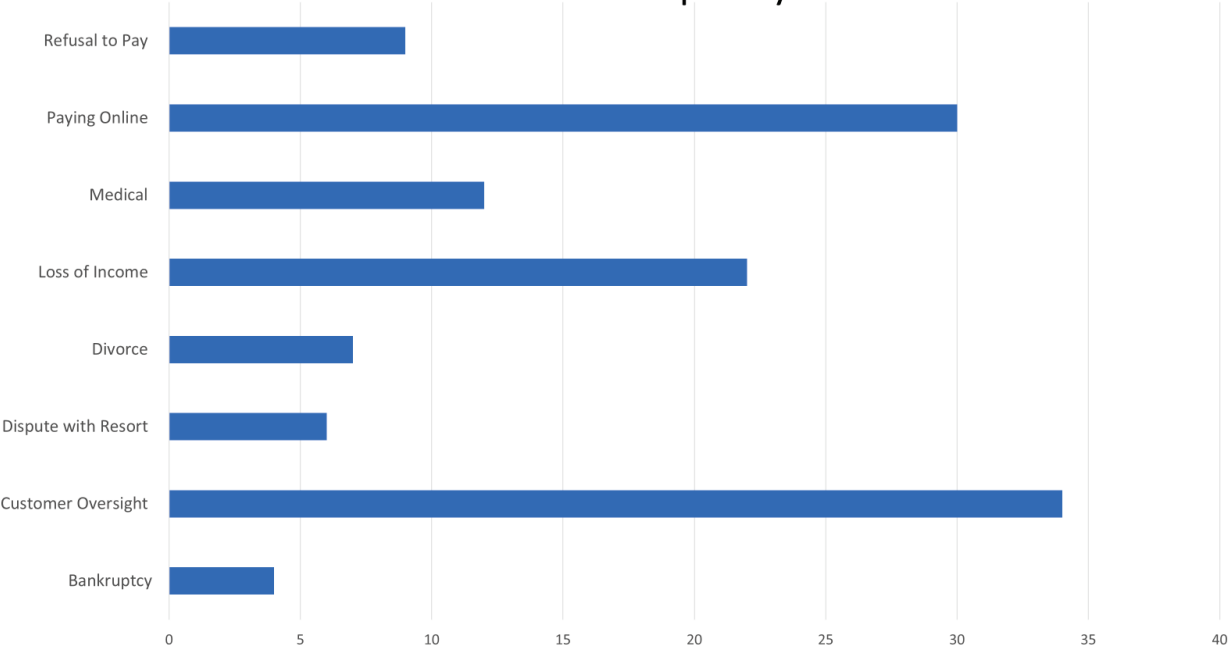
9/15/25 GTLOA Total AR Portfolio Aging Composition



9/15/25 GTLOA Greater Than 90 Days Past Due Composition



Reasons for Delinquency



GTLOA Aging Report



GRAND TIMBER LODGE

As of 9.15.23	Total	S/F	Summer	Winter
1-2 Years Past Due	93	43	26	24
2-3 Years Past Due	51	21	19	11
3-4 Years Past Due	65	25	29	11
4-5 Years Past Due	32	19	7	6
5+ Years Past Due	122	71	32	19
As of 9.15.24	Total	S/F	Summer	Winter
1-2 Years Past Due	95	48	30	17
2-3 Years Past Due	78	45	17	16
3-4 Years Past Due	47	22	15	10
4-5 Years Past Due	52	23	26	3
5+ Years Past Due	126	71	37	18
As of 9.15.25	Total	S/F	Summer	Winter
1-2 Years Past Due	114	58	38	18
2-3 Years Past Due	72	37	25	10
3-4 Years Past Due	71	41	16	14
4-5 Years Past Due	37	20	10	7
5+ Years Past Due	163	89	56	18

Finance Committee Action Items



GRAND TIMBER LODGE

- Review Bad Debt Write-Off Strategy
- Resale Agreement Analysis
- Foreclosure Review

Bad Debt Action Item



GRAND TIMBER LODGE

Action Item: Review Bad Debt Write -Off Strategy: Develop a financial model to evaluate an increase the bad debt write-off approach over the next few years and present it as part of the proposed fiscal year 2026 budget strategy.

Estimated Bad Debt for 2025 is approximately \$275K based on the current data trend. This trend has continued year over year, and we are seeing a higher percentage of unpaid dues. As a result, BGV recommends an increase to Bad Debt, as proposed in the 2026 GTLOA budget.

Recommend closing at the 10/7/25 Finance Committee Meeting.

General industry estimate for fractional/timeshare property bad debt is around 5% to 20% of total annual assessments depending on local conditions, delinquency trends and reserve needs. Average Delinquency rate is 12% per ARDA 2025 Pulse Survey ending 6/30/25

GTL Historical Bad Debt

	Bad Debt	Budgeted Assmts	Bad Debt % of Assmts
2024	\$ 262,766	\$ 15,708,960	1.67%
2023	\$ 59,839	\$ 14,621,515	0.41%
2022	\$ 72,292	\$ 13,169,854	0.55%
2021	\$ 132,326	\$ 12,348,997	1.07%
2020	\$ 87,706	\$ 11,399,247	0.77%
2019	\$ 56,045	\$ 10,630,499	0.53%
2018	\$ 227,715	\$ 9,924,226	2.29%
Total	\$ 898,689	\$ 87,803,298	
Total % of Assmts		1.02%	

Resale Agreement Analysis



GRAND TIMBER LODGE

Action Item: Review the Resale Agreement:

- Since the implementation of the resale agreement in 2018, GPLR has recovered \$1.3 million on behalf of the GTLOA.
- GPLR has paid over \$977,000 in outstanding dues under the terms of the resale agreement. Without this agreement, these funds would have been classified as bad debt. Notably, this amount exceeds the total bad debt written off by the GTLOA during the same period.
- The GTLOA has also received \$283,888 in net income from Deed in Lieu transactions (after 50% legal fees) between 2018 and August 2025.

Recommend closing at the 10/7/25 Finance Committee Meeting.

GTL Resale Data

	Deed In Lieu Income	50% of Legal Fees	Back Dues Paid by Developer	Notes
Jan-Aug 2025	\$ 23,278	\$ 4,915	\$ 111,647	
2024	\$ 45,218	\$ 11,723	\$ 136,327	
2023	\$ 34,027	\$ 16,100	\$ 530,314	Includes \$438K in 19-23 True Up posted to PY Equity
2022	\$ 10,483	\$ -	\$ 48,513	
2021	\$ 35,453	\$ 3,377	\$ 58,535	
2020	\$ 42,527	\$ -	\$ 28,754	Paused during COVID
2019	\$ 34,841	\$ -	\$ 29,383	
2018	\$ 103,632	\$ 9,457	\$ 33,899	
Total	\$ 329,459	\$ 45,571	\$ 977,370	

Foreclosure and Resale Agreement Action Items



Action Item: Foreclosure Review: Consider setting a defined time frame (e.g., three or four years) for moving delinquent accounts to foreclosure to reduce long-term delinquencies.

- BGV discussed the suggestion of setting a defined timeframe and determined that doing so would create too great of a financial burden for BGV.
- In accordance with the Resale Agreement, BGV retains the discretion to select what inventory to foreclose upon. This discretionary aspect of the foreclosure process was, and continues to be, a key consideration for BGV in the Resale Agreement.
- We will continue to prioritize the foreclosure of inventory that can be resold in a reasonable timeframe given the cost to both the GTLOA and BGV incurred during the foreclosure process.

Recommend closing at the 10/7/25 Finance Committee Meeting.

Discussion on Resale Agreement: Further discussion from the action item to revisit the resale agreement included if GTLOA is missing out on revenue through not foreclosing on properties more quickly leaving revenue on the table. The Resale Agreement does not stop revenue recovery—it simply delays it due to the foreclosure process and the time needed to return properties to inventory for resale. See the above Resale Agreement Analysis for amounts of bad debt recovered. It is felt at this time that the Resale Agreement remains a win-win for both GTLOA and GPLR.

The action item is created to get information on other premier status properties on delinquency rates for comparison to GTLOA.

Please note that during the Finance Committee meeting, the action item was created to conduct an analysis to evaluate the financial impact of modifying the resale agreement so that BGV does not pay back 100% of dues after a certain time frame, and report back to the committee.

Action Item: BGV to request a delinquency comparison from Interval International for other premier status properties.

GTLOA Rules and Regulations Update

Bonus Time Update

Proposed Rate Increase for Grand Timber Lodge's Bonus Time Program

To continue to align Bonus Time rates with operating costs, Breckenridge Grand Vacations (BGV) recommends a rate increase to the current Grand Timber Lodge (GTL) Bonus Time rates.

The proposed rates shown below represent an increase of \$10 on the nightly Bonus Time rates during the spring and fall seasons for kitchenettes, one-bedroom units, two-bedroom units, and three-bedroom units. In addition, rates increased by \$10 for studio units during summer and winter weekdays.

Current Bonus Time Rates:

GTL Bonus Time				
	Spr/Fall Weekday	Spr/Fall Weekend	Summer/Winter Weekday	Summer/Winter Weekend
Studio	\$129.00	\$139.00	\$139.00	\$159.00
Kitchenette	\$159.00	\$169.00	\$189.00	\$199.00
One Bedroom	\$149.00	\$159.00	\$179.00	\$189.00
Two Bedroom	\$179.00	\$189.00	\$209.00	\$239.00
Three Bedroom	\$209.00	\$239.00	\$289.00	\$319.00

Proposed Bonus Time Rates:

GTL Bonus Time				
	Spr/Fall Weekday	Spr/Fall Weekend	Summer/Winter Weekday	Summer/Winter Weekend
Studio	\$129.00	\$139.00	\$149.00	\$159.00
Kitchenette	\$169.00	\$179.00	\$189.00	\$199.00
One Bedroom	\$159.00	\$169.00	\$179.00	\$189.00
Two Bedroom	\$189.00	\$199.00	\$209.00	\$239.00
Three Bedroom	\$219.00	\$249.00	\$289.00	\$319.00

BGV will educate owners about this rate change through a variety of communication channels.

MOTION: To approve the Proposed Bonus Time Increase

MADE BY: Tom Endres

SECONDED BY: Matt Charley

DISCUSSION: Bonus Time cost increases are necessary to offset cleaning fees.

IN FAVOR: All

OPPOSED: None

ABSTAIN: None

Reserve Review

Reserve Study Review October 2025

2025 Projects

This year, the majority of our capital investment was directed toward Buildings 1 and 2, establishing the foundation for a six-year plan of phased, building-by-building refurbishments. Our aquatics facilities, an essential highlight of our amenities package, ended up requiring more maintenance than originally anticipated. We are pleased to share that all exterior hot tubs have now been refinished within the past year, delivering both a refreshed aesthetic and an improved experience in these high-use areas.

Grand Timber Lodge 2025 Forecasted Common Area Expenditures							
Description	Budget	2025 Year-To-Date Expenditure	Year-End Forecasted Expenditure	2025 Year-To-Date Cost Variance	Year-End Forecasted Cost Variance	Notes	Status
Building 7 Window and Balcony Doors	\$363,889	\$347,561	\$347,561	\$16,328	\$16,328	Decreased material cost	Complete
Buildings 1 & 2 Roofs	\$277,989	\$356,361	\$356,361	-\$78,372	-\$78,372	Increased material cost	Complete
Buildings 1&2 Doors	\$218,772	\$40,640	\$40,640	\$178,132	\$178,132	Completing Building 1 and 2 unit entry doors in conjunction with Building 3 and 4 for bulk pricing	In Progress - 2026
Fire Suppression System Repiping	\$159,135	\$50,000	\$50,000	\$109,135	\$109,135	Completing lateral runs only	Fall Installation
Garage Scrubber	\$87,550	\$92,183	\$92,183	-\$4,633	-\$4,633	Bids in progress	Complete
Family Fun Center Paint and Carpet	\$68,337	\$30,690	\$30,690	\$37,647	\$37,647	Decreased material cost	Fall Installation
Garage - Elevator Landing Tile	\$61,903	\$91,665	\$91,665	-\$29,762	-\$29,762	Scope of work expanded to include reframing of entryways	Fall Installation
Automatic Glass Entry Doors	\$61,800	\$62,800	\$62,800	-\$1,000	-\$1,000	Increased labor cost	Complete
Hallway Carpet - Buildings 1 & 2	\$56,248	\$54,177	\$54,177	\$2,071	\$2,071	Decreased material cost	Fall Installation
Exterior Paint - Bldg 6	\$55,620	\$27,350	\$27,350	\$28,270	\$28,270	Decreased labor cost	Complete
Fire Suppression - Nitrogen Generator (Combined 2024 and 2025)	\$70,916	\$75,000	\$75,000	-\$4,085	-\$4,085	Price inclusive of 3 buildings requiring upgrades. Removed expense from 2026 budget	Fall Installation
Trim Pack	\$26,368	\$5,000	\$5,000	\$21,368	\$21,368	Decreased scope of work to sanding and staining of trim.	Fall Installation
EV Stations	\$25,750	\$0	\$0	\$25,750	\$25,750	Forgoing additional EV Stations in 2025	Forgoing additional EV Stations in 2025
Hallway - Paint	\$22,996	\$26,700	\$26,700	-\$3,704	-\$3,704	Increased labor cost	Complete
Contingency	\$20,000	\$23,626	\$23,626	-\$3,626	-\$3,626	New hot tub cover storage, aquatic chemical readers, aquatic pumps, and concrete repairs	Complete
Heat Exchangers	\$17,185	\$1,927	\$1,927	\$15,258	\$15,258	One of six heat exchangers replaced year to date	In Progress
Building 1 Lobby Update	\$16,995	\$9,800	\$9,800	\$7,195	\$7,195	Resealing tile floors, sanding and staining baseboard trim	Fall Installation
Grand Room - Carpet	\$13,133	\$16,816	\$16,816	-\$3,684	-\$3,684	Increased material cost	Fall Installation
Housekeeping Breakroom - Laundry Appliances	\$12,360	\$18,176	\$18,176	-\$5,816	-\$5,816	Increased machine capacity	Fall Installation
Emergency Lighting	\$10,382	\$0	\$10,382	\$10,382	\$0	Bids in progress	In Progress
Common Area Art & Decor	\$10,300	\$7,200	\$7,200	\$3,100	\$3,100	Decreased scope of work	Fall Installation
Outdoor - Benches and Picnic Tables	\$10,300	\$0	\$10,300	\$10,300	\$0	Bids in progress	In Progress
Housekeeping Breakroom - Chairs and Tables	\$8,951	\$0	\$8,951	\$8,951	\$0	Bids in progress	In Progress
Luggage Carts	\$7,210	\$9,500	\$9,500	-\$2,290	-\$2,290	Replaced higher volume of carts	Fall Installation
Stairwell - Paint	\$7,210	\$12,600	\$12,600	-\$5,390	-\$5,390	Increased material cost	Fall Installation
Housekeeping Carts	\$5,408	\$16,376	\$16,376	-\$10,969	-\$10,969	Replaced higher volume of carts to address safety needs	Complete
Outdoor - Benches - Grill Areas	\$5,150	\$0	\$5,150	\$5,150	\$0	Bids in progress	In Progress
Outdoor - Chairlift Swings	\$5,150	\$0	\$5,150	\$5,150	\$0	Refurbishing versus replacing	In Progress
Outdoor BBQ Grills	\$5,150	\$0	\$5,150	\$5,150	\$0	Bids in progress	In Progress
Guest Laundry	\$4,944	\$0	\$4,944	\$4,944	\$0	Bids in progress	In Progress
Outdoor BBQ Grill Lighting	\$4,635	\$0	\$4,635	\$4,635	\$0	Bids in progress	In Progress
Trash Chute Doors	\$1,700	\$0	\$1,700	\$1,700	\$0	Bids in progress	In Progress
Boardroom - Art & Décor	\$1,030	\$0	\$1,030	\$1,030	\$0	Bids in progress	In Progress
Building 6 Hallway Carpet (Postponed from 2024)	\$42,848	\$41,086	\$41,086	\$1,762	\$1,762	Decreased material cost	Fall Installation
Grand Room Update (Postponed from 2024)	\$29,818	\$0	\$29,818	\$29,818	\$0	Bids in progress	In Progress
Exterior Building Lighting (Postponed from 2024)	\$20,394	\$20,384	\$20,384	\$10	\$10	Exact material cost	Complete
Building 6 Exterior Pool Resurfacing (Unbudgeted)	\$0	\$82,500	\$82,500	-\$82,500	-\$82,500	Unbudgeted Expense	Complete
	\$1,817,524	\$1,520,118	\$1,607,328	\$297,406	\$210,196		

Grand Timber Lodge 2025 Forecasted Unit Expenditures							
Description	Budget	2025 Year-To-Date Expenditure	Year-End Forecasted Expenditure	2025 Year-To-Date Cost Variance	Year-End Forecasted Cost Variance	Notes	Status
Buildings 1 & 2 Unit Refreshes	\$1,472,900	\$1,848,875	\$1,848,875	-\$375,975	-\$375,975	Increased cost due to ADA and Three Bedroom Residences, Change Orders, and Disposal Fees	Complete
Appliance Replacements - PAR	\$122,853	\$55,331	\$95,000	\$67,522	\$27,853	In Progress - Year Round Installation	In Progress - Year Round Installation
Blinds	\$46,350	\$44,793	\$44,793	\$1,557	\$1,557	Decreased material cost	Complete
Decorative Bedding	\$31,666	\$0	\$0	\$31,666	\$31,666	Considering future replacement	Postponing
Contingency	\$10,000	\$10,888	\$10,888	-\$888	-\$888	Purchased Extra Sleeper Sofa Mechanisms	Complete
Bedroom Lamps	\$110,004	\$0	\$0	\$110,004	\$110,004	Considering future replacement	Postponing
	\$1,793,773	\$1,959,887	\$1,999,556	-\$166,114	-\$205,783		

2026 Projects

We are pleased to announce that we are integrating ongoing building renovation projects with common area amenity enhancements, all aimed at improving the experience for both owners and guests. Additionally, this year initiates a new four-year cycle to replace every mattress on the property, further demonstrating our commitment to providing the highest level of comfort and relaxation during each owner and guest's stay.

Grand Timber Lodge 2026 Common Area Expenditures	
Description	Budget
Balcony Doors and Windows	\$ 390,411
Composition Roof	\$ 386,456
Hallways - Carpet	\$ 66,712
Unit Entry Door	\$ 65,920
Aquatics - Building 6 Indoor Floor Resurface	\$ 61,800
Exterior Paint - Building 5	\$ 56,650
Ice Machines	\$ 53,560
Common Doors	\$ 48,513
Aquatics Area - Fencing	\$ 40,556
Trim Pack	\$ 38,563
Fitness Center - Strength Equipment	\$ 25,750
Hallway - Paint	\$ 24,633
Contingency	\$ 20,000
UTV Replacement	\$ 15,450
Hallway Landing Furniture	\$ 12,360
NO2 Sensors	\$ 11,330
Common Area Art & Decor	\$ 10,300
EV Stations	\$ 10,300
Concrete	\$ 10,000
Fire Extinguishers 5lb	\$ 8,498
Day Use Room - Table and Chairs	\$ 8,487
Fire Extinguishers 10lb	\$ 7,365
Luggage Carts	\$ 7,210
Stairwell - Paint	\$ 7,210
Heat Exchanger	\$ 6,695
Housekeeping Carts	\$ 5,408
Garage Lighting	\$ 5,150
Outdoor BBQ Grills	\$ 5,150
Umbrellas	\$ 4,120
Guest Laundry	\$ 3,914
Aquatics Area - Pump Motor	\$ 3,090
Swimsuit Spinners	\$ 2,266
Trash Chute Doors	\$ 1,700
	\$ 1,425,526

Grand Timber Lodge 2026 Unit Expenditures	
Description	Budget
Building 3 & 4 Unit Refresh	\$ 2,821,170
Appliance Replacements	\$ 107,584
Building 7 & 8 Mattresses	\$ 77,456
Blinds	\$ 40,788
Contingency	\$ 10,000
	\$ 3,056,998

Looking ahead, we are preparing for the 2026 external reserve study in partnership with Association Reserves, a process we complete every five years. Their expertise will be instrumental in evaluating and planning for major common area expenditures on the horizon, including boiler replacements and elevator upgrades. With their guidance, we will be well-positioned to navigate these projects thoughtfully and effectively.

March Group Investment Letter

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



Nico F. March
Managing Director
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Nico@themarchgroup.com

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 2025, the economic landscape is shaped by a dynamic mix of growth, inflation, and financial stability concerns. The U.S. economy has shown resilience, with moderate GDP growth driven by strong consumer spending and robust employment figures. However, inflationary pressures have been a significant concern, stemming from supply chain disruptions and higher energy prices. The Federal Reserve has maintained a cautious approach, keeping interest rates elevated to counteract inflation. Anticipated Fed rate cuts are on the horizon as inflation begins to show signs of a steady decline, aligning closer to the Fed's target rate. These potential rate cuts are expected to provide a boost to economic activity by lowering borrowing costs for businesses and consumers, thereby supporting investment and spending.

The anticipation of rate cuts has also spurred optimism in the financial markets, evidenced by an uptrend in equities and improved investor sentiment. However, the timing and extent of these cuts remain contingent on continued moderation in inflation and stability in current economic growth trends. As such, the Federal Reserve is poised to act decisively, utilizing data-driven insights to navigate this complex economic environment.

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 2026. Approximately 78.9% of the portfolio is allocated to short-term Treasury Bills, yielding approximately 3.67%. The remaining 21.1% 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.

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

Grand Timber Lodge 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	\$ 8,660,971	\$ -	\$ 125,206	\$ 125,206	1.4%	\$ 957		
2017	9,196,125	-	72,829	72,829	0.8%	\$ 1,012	\$ 55	5.8%
2018	9,924,226	-	(13,525)	(13,525)	-0.1%	\$ 1,093	\$ 81	8.0%
2019	10,630,499	-	492,145	492,145	4.6%	\$ 1,177	\$ 84	7.7%
2020	11,399,247	-	287,881	287,881	2.5%	\$ 1,253	\$ 76	6.5%
2021	12,348,997	(500,000)	(291,501)	208,499	1.7%	\$ 1,369	\$ 116	9.3%
2022	13,169,854	(100,000)	252,717	352,717	2.7%	\$ 1,460	\$ 91	6.6%
2023	14,621,515	(175,000)	(201,611)	(26,611)	-0.2%	\$ 1,603	\$ 143	9.8%
2024	15,708,960	-	78,666	78,666	0.5%	\$ 1,741	\$ 138	8.6%
2025	16,558,226	-	-	-	0.0%	\$ 1,837	\$ 96	5.5%
2026	17,829,135	-	-	-	0.0%	\$ 1,979	\$ 142	7.7%
Totals	\$ 140,047,755	\$ (775,000)	\$ 802,807	\$ 1,577,807	1.1%	Annualized Inc.		6.8%

Proposed 2026 Budget Approval

Grand Timber Lodge Owners' Association Proposed 2026 Budget Summary

General Summary

Proposed 2026 GTLOA Budget: \$17,829,135 — representing a 7.7% increase (\$1,270,909) over the previous year.

GTLOA began 2025 with an audited Operating Fund Balance of approximately \$803K and is projecting a \$370K deficit for 2025.

As a result, the association anticipates ending 2025 with an operating surplus of \$432K.

Grand Timber Lodge Owners Association		Operating Fund		
Operating Fund Rollforward:		Budget	Forecast	Variance
2024 Ending Operating Fund - audited		\$ 802,807	\$ 802,807	\$ -
2025 Excess (Deficiency) of Revenues				
Over Expenses - forecasted		\$ -	\$ (370,310)	\$ (370,310)
2025 Ending Operating Fund		\$ 802,807	\$ 432,497	\$ (370,310)

The primary reasons for the 2026 budget increase are due to variables in the line items below:

- **Management Fee** – The 2026 budget reflects a 24% (\$281K) increase over the 2025 budget, in accordance with the guidelines outlined in the illustrative annual budget and management fee schedule.
- **Housekeeping Cleaning**- The 2026 budget increase of 7.3% (\$214K) is primarily driven by annual staff merit increases. These costs are normally offset by increased weekly cleaning revenue, which is not increasing in 2026 due to decreased anticipated occupancy.
- **Reserve Funding**- The 2026 Unit reserve contribution includes a 14% (\$252K) increase. 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.

BOARD ACTION REQUIRED

MOTION: To approve the proposed GTLOA 2026 budget.

MADE BY: Tom Endres

SECONDED BY: Matt Charley

DISCUSSION: None

IN FAVOR: All

OPPOSED: None

ABSTAIN: None

Dues Comparison

<u>Unit Size</u>	<u>2025 Dues</u>	<u>2026 Proposed</u>	<u>Dues Increase</u>	<u>Dues % Increase</u>
Two Bedroom Annual	\$ 1,837.46	\$ 1,978.93	\$ 141.47	7.7%
Commercial	\$ 10,885.32	\$ 11,161.47	\$ 276.15	2.5%
Whole Ownership	\$ 21,770.63	\$ 22,322.93	\$ 552.30	2.5%
*Timeshare dues are presented without a 3% cash discount.				

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

	<u>2026 Budget vs. 2025 Budget</u>					
				<u>Incr (Decr)</u>		
	<u>Proposed</u>	<u>% of</u>		<u>2026 Budget</u>		
	<u>2026</u>	<u>Total</u>	<u>2025</u>	<u>To 2025 Budget</u>		
	<u>Budget</u>	<u>Dues</u>	<u>Budget</u>	<u>\$'s</u>	<u>%'s</u>	<u>NOTES - Incr/Decr for all variances 10% & \$20K '26 vs '25 Budget</u>
Revenues						
Owner Assessment Inc	\$ 17,829,135		\$ 16,558,226	\$ 1,270,909	7.7%	
Late Fee Income	235,901	-1.3%	207,003	28,898	14.0%	This 2026 budget to 2025 budget increase is due to more enforcement of late fee policies.
Vacation Experience Fee Income	327,218	-1.8%	386,943	(59,725)	-15.4%	The 2026 budget to 2025 budget is decreasing due to 2025 forecasted actuals.
Interest Income	165,901	-0.9%	207,189	(41,288)	-19.9%	The 2026 budget to 2025 budget decrease is due to current market trends and 2025 interest forecast.
Gains/Loss Investment	19,435	-0.1%	62,273	(42,837)	-68.8%	The 2026 budget to 2025 budget decrease is due to current market trends and 2025 Gains/Loss forecast.
Other Revenue	270,230	-2.6%	340,975	(70,746)	-20.7%	
Total Revenue	18,847,820		17,762,609	1,085,212	6.1%	
Expenses						
Bad Debt	288,750	1.6%	150,000	138,750	92.5%	The 2026 budget to 2025 budget increase is attributed to a continued rise in unpaid homeowner dues.
Owner Relations Fee	1,689,735	9.5%	1,530,596	159,139	10.4%	The 2026 to 2025 budget increase is due to the annual analysis of total BGV resort allocation.
Management Fee	1,449,962	8.1%	1,168,778	281,183	24.1%	The 2026 to 2025 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.
Electric	247,083	1.4%	201,926	45,157	22.4%	The 2026 budget increase to 2025 budget is due to higher costs from Xcel.
Gas	390,387	2.2%	487,252	(96,865)	-19.9%	The 2026 budget decrease to 2025 budget due to decreased demand associated with capital improvements to the boiler plant.
Unit Resv Fund Assm	2,054,807	11.5%	1,802,462	252,344	14.0%	The 2026 budget increase is due to the necessary contribution to maintain the reserve funding.
Other Expenses	12,727,097	82.9%	12,421,594	305,503	2.5%	
Total Expense	18,847,820		17,762,609	1,085,212	6.1%	
Net Income / (Loss)	\$ -		\$ -	\$ -		

Illustrative Example

Illustrative Example																	
GTLOA Annual Budget and Mgmt Fees																	
2016 - 2031																	
Illustrative 10yr 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
2016												\$ 8,660,971					
2017												\$ 9,196,125	\$ 535,154	6.2%			
2018												\$ 9,924,226	\$ 728,101	7.9%			
2019												\$ 10,630,499	\$ 706,273	7.1%			
2020			\$ 363,320		3.2%							\$ 11,399,247	\$ 768,748	7.2%			
2021	0	\$ 1,320,115	\$ 508,308	39.9%	4.1%	\$ 811,807	61.5%	38.5%				\$ 12,348,997	\$ 949,750	8.3%	\$ 144,988	1.3%	\$ 804,762
2022	1	\$ 1,380,183	\$ 697,059	37.1%	5.3%	\$ 683,124	49.5%	50.5%	12.0%			\$ 13,169,854	\$ 820,857	6.6%	\$ 188,751	1.5%	\$ 632,106
2023	2	\$ 1,522,806	\$ 951,747	36.5%	6.5%	\$ 571,059	37.5%	62.5%	12.0%			\$ 14,621,515	\$ 1,451,661	11.0%	\$ 254,688	1.9%	\$ 1,196,973
2024	3	\$ 1,345,455	\$ 1,002,383	5.3%	6.4%	\$ 343,073	25.5%	74.5%	12.0%	61.5%		\$ 15,708,960	\$ 1,087,445	7.4%	\$ 50,636	0.3%	\$ 1,036,809
2025	4	\$ 1,350,607	\$ 1,168,778	16.6%	7.1%	\$ 181,829	13.5%	86.5%	12.0%			\$ 16,558,226	\$ 849,266	5.4%	\$ 166,396	1.1%	\$ 682,870
2026	5	\$ 1,449,962	\$ 1,449,962	17.9%	8.1%	\$ -	0.0%	100.0%	13.5%			\$ 17,829,135	\$ 1,270,909	7.7%	\$ 281,183	1.7%	\$ 989,726
2027	6	\$ 1,507,960	\$ 1,684,730	16.2%	8.6%	\$ (176,769)	-11.7%	111.7%	6.8%			\$ 19,490,233	\$ 1,661,099	9.3%	\$ 234,768	1.3%	\$ 1,426,331
2028	7	\$ 1,568,279	\$ 1,925,063	14.3%	9.0%	\$ (356,784)	-22.8%	122.8%	13.8%			\$ 21,289,785	\$ 1,799,552	9.2%	\$ 240,333	1.2%	\$ 1,559,219
2029	8	\$ 1,631,010	\$ 2,122,765	10.3%	9.2%	\$ (491,755)	-30.2%	130.2%	19.0%	100.0%		\$ 23,190,670	\$ 1,900,886	8.9%	\$ 197,703	0.9%	\$ 1,703,183
2030	9	\$ 1,696,250	\$ 2,322,972	9.4%	9.2%	\$ (626,721)	-36.9%	136.9%	24.2%			\$ 25,246,130	\$ 2,055,460	8.9%	\$ 200,206	0.9%	\$ 1,855,254
2031	10	\$ 1,764,100	\$ 2,702,962	16.4%	9.8%	\$ (938,861)	-53.2%	153.2%	36.2%			\$ 27,645,811	\$ 2,399,680	9.5%	\$ 379,990	1.5%	\$ 2,019,690
					7.6%									8.4%			
		\$ 16,536,728	\$ 16,536,728														
		Net (Profit) Loss	\$ -			Sub Total Uncovered	\$ 2,590,892	(yrs 0-5)									
						Sub Total Recovered	(2,590,892)	(yrs 6-10)									
						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 above.

Post-Payback Budget Modeling: Beginning in next year's budget review, a post-payback budget model for 2032 and beyond, including illustrative lines for future years will be shown.

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 2026. 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 Allocated General and Administrative Expenses

	GTL 2026 vs 2025 Admin Budget			
	<u>GTL 2026</u>	<u>GTL 2025</u>	<u>\$ Variance</u>	<u>% Variance</u>
Accounting	\$ 221,558	\$ 226,702	\$ (5,144)	-2.3%
Accounts Receivable Mgmt	144,809	143,141	1,668	1.2%
Analytics	24,735	32,007	(7,273)	-22.7%
Compliance	53,957	53,130	826	1.6%
Contracts	13,394	12,697	697	5.5%
Creative Services	2,214	2,636	(422)	-16.0%
Employee Experience	-	75,264	(75,264)	-100.0%
Human Resources	318,591	256,397	62,194	24.3%
BGV Gives	-	-	-	0.0%
Learning & Performance	58,059	-	58,059	0.0%
Information Technology	562,502	498,009	64,493	13.0%
Sustainability	50,144	50,623	(479)	-0.9%
Subtotal	1,449,962	1,350,607	99,355	7.4%
HOA Budgeted Management Fee	(1,449,962)	(1,168,778)	(281,183)	24.1%
Total G&A Developer Contribution	\$ -	\$ 181,829	\$ (181,829)	-100.0%

General Manager Report

Grand Timber Lodge General Manager Report October 2025

At Grand Timber Lodge, our greatest source of inspiration continues to come directly from you, our valued owners. The feedback you share, whether through surveys, conversations, or other interactions with our staff, has been the driving force behind many of the changes and improvements that take place. Together, we are not only maintaining the standard of excellence that Grand Timber Lodge is known for, but also building a stronger, more forward-thinking resort for the future.

Resort Improvements

Since the spring, the following projects have been completed.

- Buildings 1 and 2 have been revitalized via the following projects:
 - Unit refreshes, with a focus on bathrooms and flooring
 - Roof replacements, including new heat tape and gutters
 - The replacement of hallway carpet, bringing some color to the corridors
 - Common area trim and millwork were sanded and stained.
- Building 6 received new exterior paint and stained balconies.
- The first half of Building 7 window and door replacements were completed.
- Sliding glass doors have been replaced in Building 1 and 6 entryways.
- The Building 6 outdoor hot tubs have been resurfaced. This project was not budgeted, however, due to cost savings on other projects, this necessary work was completed to retain the integrity of the tubs and mechanical systems.

Sustainability and Safety Efforts

- The Engineering Team has continued to address drainage needs in the landscaping surrounding Building 6. They have become experts in this field, saving the association substantial expenses by avoiding the need for vendor services.
- Two sets of concrete stairs have been resurfaced to address safety concerns. This project was completed in tandem with BGV's other managed resorts, resulting in cost savings by minimizing mobilization fees and gaining efficiencies.
- Grand Timber Lodge has been recognized by Mountain Town 2030 for the advancements made in natural gas efficiency. During their annual conference in Breckenridge, participants toured our facility to learn about our weather station, wireless snowmelt sensors, and boiler room advancements.
- Breckenridge Grand Vacations has extended our contract with Pivot Energy pertaining to solar initiatives. This extension will yield more solar production and offset energy costs.
- Breckenridge became a Dark Sky town this year to reduce light pollution. Grand Timber deferred the exterior lighting project originally budgeted in 2024 by one year to execute this project in compliance with the new Dark Sky practices.

Staffing Updates

- We are thrilled that Esteban Rodriguez has joined the team as our new Housekeeping Manager. He has lived and worked in several Colorado mountain communities and brings rapport with many of our existing vendors.
- We are pleased to share that Drake Nguyen and Kiersten Baier are our newest Assistant Guest Services Managers. Drake brings a wealth of resort operations experience from Summit and Eagle Counties, while Kiersten celebrates a well-earned internal promotion due to her infectious energy and Disney background.

Looking Ahead

We are excited to continue large-scale property renovations, moving ahead to Buildings 3 and 4. These improvements remain inclusive of roof replacements, unit refreshes, hallway paint, carpet, and trim. To guarantee pricing on roof and unit refresh work, deposits have already been placed with vendors to secure materials, which includes storage at vendor facilities.

In addition to these Building 3 and 4 upgrades, the following projects are also scheduled in accordance with the reserve studies.

- The second half of Building 7 window and door replacements will be completed.
- The Building 6 indoor pool area will be resurfaced.
- All aquatic area fencing will be replaced.
- Strength equipment will be upgraded in the Fitness Center.
- Ice machines will be replaced in all buildings.
- The non-ADA shuttle will be replaced at the end of the year.

Action item: Add lower shower head in showers.

Action item: Replace chess pieces needed

Action item: Find way for better bike security.

GTL Trip Advisor Stats:

- Currently ranked #4 of 19 properties under “Hotel” category
- 4.5 out of 5 stars
- To read our reviews, please click [here](#)

GTL Google Stats:

- [4.6 out of 5 stars](#)
- [To read our reviews, please click here](#)

GTL Service Score Comparison	Last Year's Avg 5/5/24 - 9/25/24	This Year's Avg 5/5/25-9/25/25
Amenities	9.01	9.07
Room Accommodations	8.86	8.98
Resort Staff	9.13	9.17
GNPS	62.43%	61.99%
GONPS	70.73%	64.73%

NEW BUSINESS

GTLOA Governance Updates

GTLOA Rules and Regulations Update

Due to increasing administrative costs, we propose increasing the deed transfer fee from \$25 to \$50.

I. CONVEYANCE AND TRANSFER OF UNITS

2. A Transfer Fee of ~~twenty-five and no/100 Dollars (\$25.00)~~ Fifty and no/100 Dollar (\$50) shall be due and payable within thirty (30) days after the transferee obtains title to the Vacation Estate. *Transfer fees are subject to change at the discretion of the Board.*

MOTION: To approve the updated language regarding Transfer Fees as noted above.

MADE BY: Mark Orton

SECONDED BY: Matt Charley

DISCUSSION: The transfer fee seems low, consider if the value is appropriate.

IN FAVOR: Lew Phinney, Marc Block, Matt Charley, James Hagerman, Tom Endres, Nick Doran

OPPOSED: None

ABSTAIN: Mark Orton

GOVERNANCE POLICY UPDATE/COLLECTIONS POLICY

Due to the passage of HB 25-1043 HB 25-1043 – *Owner Equity Protection in Homeowners' Association Foreclosure Sales* – the Governance/Collections Policy has been updated, as shown in the attached redlined version.

Key Provisions

1. HOA Compliance Requirements, including additional Notice, Reporting and Language requirements, as noted in the redline version of the revised Collection Policy. ~~[Delete Bold – Underlined]~~
2. HOAs must strictly comply with state foreclosure laws and their own governing documents before pursuing foreclosure.
3. Courts may stay foreclosure proceedings if an HOA is noncompliant, giving time to correct issues.

MOTION: To approve the updated Collections Policy section of the Governance Policy as shown in the red-lined attachment.

MADE BY: TOM ENDRES

SECONDED BY: JAMES HAGERMAN

DISCUSSION: NONE

IN FAVOR: ALL

OPPOSED: NONE

ABSTAIN: NONE

Summer BiGVARS Summary

This information was also provided in the June 2025 Missive.

Approximately 2,062 owners representing 2,142 contracts placed requests to make reservations for the summer 2026 season. This year, the participation rate was down slightly by 1.6%, or 34 owners, compared to 2025. Overall participation was 74.9% of eligible owners.

The assignment numbers did fluctuate slightly over 2025. Specifically, here are the results:

- 48.74% (1,044 contracts) were assigned their top choice (down from 49.66% in 2025)
- 63.82% (1,367 contracts) were assigned a top 3 preference (down from 64.07% in 2025)
- 78.62% (1,684 contracts) were assigned a top 6 preference (up from 77.89% in 2025)
- 93.09% (1,984 contracts) were assigned a top 15 preference (up from 89.89% in 2025)
- 1.91% (33 contracts) were assigned a choice outside of their top 15 (up from 1.88% in 2025)
- 5.18% (111 contracts) did not receive any of their choices and were auto-assigned (down from 6.73% in 2025)
- 0.65% (14 contracts) were unassigned a preference (down from 1.01% in 2025)

Of the 2,142 contracts represented in the assignment process, 111 were automatically assigned a week. For comparison, there were 147 automatic assignments last year. In addition, of the owners who chose not to be auto-assigned if none of their preferences were available, 14 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.

Action Item: Explore BiGVARS algorithm to ensure system is working properly.

Annual Meeting Preview

GRAND TIMBER LODGE OWNERS' ASSOCIATION 2025 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 2024 Annual Meeting Minutes – Marc Block, GTLOA Board President –
owner vote required

Audited Financial Statement Review for the Fiscal Year Ending December 31, 2024 – 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

MISCELLANEOUS

Comments To/From Staff

None at this time

Important Dates

Suggested next meeting dates:

- Finance Committee Meetings – Microsoft Teams
 - Wednesday, 4/1/2026 – 2-4pm MT
 - Wednesday, 10/7/2026 – 2-4pm MT
- Board meetings:
 - Thursday, 4/8/2026 – 2-4pm MT - Microsoft Teams
 - Saturday, 10/17/2026– Board and Annual Meeting
 - In person with remote option
 - Property Tour – start time and location TBD
 - Board Meeting – 9:30-11:15am (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 12/31/2028
 - 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

- BGV to explore obtaining a delinquency comparison from II on other premier status properties.
- Add a lower shower head in showers.
- Explore additional bike storage-convert existing storage into wall mounts?
- Explore if the transfer fee is the appropriate cost.
- Explore BiGVARS algorithm to ensure system is working properly.
- Allow Front Desk agents to give owners parking passes when concierge is not available.

Election of Officers:

Current Officers:

President: Marc Block

Vice President: Matt Charley

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

James Hagerman

On behalf of the GTLOA Board and Advisory Committee, thank you Stephanie Lipary and Donna Gloshen for their time and service on the Advisory Committee.

Adjournment:

Time: 11:15pm

By: Marc Block, seconded by Matt Charley