

TMVRC OWNERS' ASSOCIATION, INC.
January 16, 2024
Annual Meeting Minutes

- **Call to Order**

Bryan Woody called the meeting to order at 12:30pm.

- **Appointment of Recording Secretary**

Haleigh Collins, of ASAP Accounting & Payroll, was appointed as Recording Secretary.

- **Proof of Notice**

Proof of Notice was sent via email two weeks prior to today's meeting.

- **Establish Quorum**

Board members present included:

Bryan Woody, Michael Wagner, Michael Zarrilli, and Chad Arkoff.

A quorum of the Association membership was established.

Also in attendance:

Haleigh Collins, Senior Account Manager, ASAP Accounting & Payroll

Brent Prokaski, Assistant Director of Finance, Auberge

Kristen Green, Residential Accounting Manager, Auberge

Various owner-members

- **Welcome**

Bryan offered a brief welcome to members on the call.

- **Review of the January 3rd, 2024 TMVRC Board Meeting Minutes**

This agenda item will be put on hold until all members of the Board are able to fully review the January 3rd, 2024 meeting minutes.

- **2024 Market Outlook and Resort Updates**

Bryan shared a slide presentation with Madeline's market outlook, 2024 initiatives, epicurean business plans, and membership highlights. A copy of this presentation is attached with these meeting minutes.

- **Presentation of the 2024 TMVRC Operating and Reserve Budget**

Brent firstly introduced Kristen Green as the new Residential and HOA Accounting Manager, as Brent himself will be assuming the role of Assistant Director of Finance for Hotel Madeline. He continued, sharing his screen to present the 2024 Budget, recently approved by the Board on January 3rd and to be ratified by the homeowners today. His highlights included a 7.7% YOY increase (most of which is coming from utilities and insurance), Repairs & Maintenance, Services, HOA Audit, Legal Expenses, and HOA Residence Services/Controller. Michael Wagner inquired about how updated the insurance numbers are, as the recent evaluation of a rebuild showed a significant increase; Brent will find out or secure this for July's renewal. Brent presented numbers for unit-specific annual assessments, assuring members that these are in line with comparable properties.

Moving on to Reserves, Brent first thanked the Reserve Committee for their recent efforts. In composing this year's Reserve Budget, comparisons were made to the Reserve Study last conducted in 2021 by Armstrong. Brent highlighted the signage upgrades as the largest expense, and he walked through the other planned projects.

Bryan opened the floor for questions and comments. The Board shared compliments toward the Reserve committee, Michael Wagner's due diligence, and Chad and Brent's efforts. Jim Shoriak asked Brent to expand on audits, where a deep dive would be beneficial into some portions of the budget. Brent shared that some details or a condensed report could be available upon request, as today's presentation was meant to be more general. Kristen offered her willingness to help as well.

- **Vote for Ratification of the 2024 Budgets**

In Michael Lynch's absence, the Board debated today's ratification protocol, then established a procedure to follow and agreed to correct it later if necessary. Several TMVRC members on the call were identified as present: Chad Arkoff, Michael Wagner, Michael Zarrilli, Natalie Binder, Jim Shoriak, Dave Wilson, David Barmak, Lizbeth Metzger on behalf of the Town of Mountain Village, and Sandra Gilbert.

On behalf of the community, Bryan motioned to approve, ratify, and not reject the 2024 Operating Budget as presented by Brent, reflecting a 7.7% YOY increase, and as previously approved by the Board; all present members were in favor; no present members rejected; the 2024 Operating Budget for TMVRC as stated was thus ratified by Association members. Bryan lastly noted that the relative 2024 Reserve Budget was approved by the Board on January 3, 2024. Michael Lynch will review today's ratification procedure at a later date.

Edited to add, after Michael Lynch's review:

The Declaration provides that if Owners holding at least 51% of the Voting Interests reject the Budget adopted by the Board, then the Budget is NOT ratified. Accordingly, it appears from the minutes that the Owners had the opportunity to reject the Budget, but it was not, so the ratification is appropriate and valid.

- **Resolution of the NSF Square Footage Depicted on Condo Maps**

Michael Wagner wants to keep this conversation moving and encouraged others to check his map calculations. Brent responded, noting first the need for an accurate plat map that would reflect the most recent renovations. Brent's budgeting ties in with the official documents, as up to date as they currently dictate. While the Board is awaiting upcoming renovations and an engineer/surveyor who will take measurements, Michael Wagner emphasized the need for a set date to resolve this matter before the 2025 Budget is drafted in September. Brian will next reach out to some contacts and determine their willingness to take the necessary measurements (at locations determined eventually by the Board).

- **Replat of Revised Areas Due to Renovations**

This agenda item was addressed in the previous conversation topic.

- **Conflict of Interest Statement**

Because this is an item that Michael Lynch has been working on, this topic was postponed today, until legal counsel could be on a meeting call. Members today did not oppose postponing this agenda item.

- **Ski Valet Update**

Bryan reiterated that Brent's earlier 2024 Reserve Budget presentation included funds for Ski Valet flooring, lighting, and furniture replacement. Bryan is confident that this project will be completed on time and within budget, to commence with the same contractor (Zelham) and at the same time as the Private Club buildout and Civic Condominium Bathrooms. Ski Valet work is anticipated to begin on April 8th and be completed before the second week of June. Written standard procedures with Ski Butlers will mean improvements to their operations, but any concerns can be brought to Bryan/McKinley Hale. Members on the call discussed potential ski discounts available to owners; McKinley will later follow up with details on this in an email with the 2024 Owner Benefits/Service Fees communication.

- **Future Renovations**

As was included in Bryan's earlier presentation with Resort Updates, residential units are being renovated this spring, a new tenant is expected, a spa redesign is to occur and include the second floor, the salon/yoga/pilates studio will be converted to a private club, and civic condominiums and ski valet will be updated this spring. Jim asked about the changes to Twenty Below; Bryan clarified that it has been rebranded to Camp Madeline, as the kids' club on campus. He provided details on the caretakers, relevant insurance, and future plans for its structure.

- **Reserve Funds Investment**

Brent shared details on the funds sitting in three CDs, with a current total of \$750K invested with Wells Fargo Advisors. One CD expires this month, one in February, and one in July. At an estimated 5.25% and 5.5%, the anticipated total annual income is \$40,250.

- **Resident Services Time Allocation Study**

Prompted by the rental management agreement renewals, Michael Zarrilli again encouraged a deep dive into how Caroline Oppenheimer and McKinley Hale, in their new positions, are allocating their time between Hotel and Residences. Now

with a more detailed job description for both positions, Michael Zarrilli requested a thorough time survey to confirm or deny his suspicions over the allocations of their time. Bryan asked McKinley and Caroline to schedule a meeting with the Board to determine a final approach and methodology in addressing this matter.

- **2024 Service Fees**

McKinley took the floor, highlighting and explaining the changes and increases, accounting for cost of labor, cost of goods, and inflation. Details and new offerings discussed included the pet fee, linen service, construction cleans, and valet. Bryan asked McKinley to email the 2024 Service Fees and Owner Benefits for both RMA and non-RMA guests to the Board Members for review and approval before sharing with the homeowners.

- **Log Chinking**

Bryan summarized and updated: the individuals previously did not return a \$60K deposit, and a legal default judgement was obtained against them for just over \$200K. They have been on a payment plan and have generally paid on time for over six months. Due in January 2024, they had a different material milestone to pay back, so the Board elected to grant an extension to January 31. Board members briefly discussed dollar figure breakdowns.

- **New Business**

Michael Wagner and Bryan confirmed that timber replacement, a somewhat complex process, is planned for Building 38 this year.

- **Adjourn**

Hearing no additional business, Michael Zarrilli motioned to adjourn today's meeting; Michael Wagner seconded; the motion passed; all were in favor; the meeting adjourned at 2:07pm.



Madeline Hotel & Residences

AUBERGE RESORTS COLLECTION

TELLURIDE, COLORADO

2024 TMVRC ANNUAL MEETING



AGENDA

2024 Market Outlook

Sales | Marketing | Product

Culinary

Future Projects



Market Outlook

A Unique Year Optimism and Challenges

Market demand and booking pace is currently flat or slightly down from 2023

Target of 7.3% growth in residential paid occupancy at 756 incremental rooms nights

Assumes a 5% decline in owner occupancy

Lackluster precipitation

ARC Top performing website

Visit Telluride largely defunded

WSJ Article on Four Seasons

New SFO flight patterns

Milestone Festivals in 2023

50% of residences renovated by May

Momentum of 4th year of stability



Mining for Madeline Business

2024 Initiatives

Focus on Mexico, Brazil, Australia

Group Incentive Houses

Weddings | WIPA | The Knot

Strengthening Festival Partnerships

Training Investment | Service Excellence

Festive Rebook Strategy

Two New Consortia Partners Monthly

Upgraded Residential Product

Upgraded Ski Valet and Civic Restrooms

Second ARC in TX, Third Underway

Forbes 5* for 3rd Consecutive Year

Travel + Leisure # 6 in America

Uchi | Sanctum | Alpine Cookout



Epicurean Positioning

Epicurean Positioning

Welcome Zachary Ladwig

Third Anniversary of Timber Room

Hyper Regional Cuisine

Alpine and Apres Positioning

Blending Protein & Vegetarian Focus

Press Worthy Cocktail Program

Wine Spectator Best of Award of Excellence

Three Wine & Food Festival Partners

Uchi + Alpine Cookout

Concierge Night

Women's Network Night

Starbucks Uncertainty

Expansion of Children & Pet Offerings



Membership - Spa - Retail

Future Luxury Positioning

Private Membership Club

- 60 Members
- Private Lockers
- Private Lounge
- Rose Ink Designed Bar

Reimagined Spa and Relaxation Area

- Renovation of current facility
- Additional treatment room
- Repurpose the dormant indoor pool
- Upgraded amenities
- New Equipment, FF&E, OS&E
- Expanded Retail

Future of former Neve Retail

- Multiple Interested Parties
- Tenant Improvements
- Build on Success of FP Movement and Lucchese both contracted through 2027



