

BEAVER CREEK RESORT COMPANY OF COLORADO

EAGLE COUNTY, COLORADO

WHAT IS THE BEAVER CREEK RESORT COMPANY?

The Beaver Creek Resort Company of Colorado is a very special hybrid, combining a homeowners' association, a resort association, with some municipal services added. The Resort Company, a Colorado non-profit corporation incorporated on April 30, 1979, was designed to help Beaver Creek become and remain a unique resort community. By virtue of its Articles of Incorporation, the Resort Company is vested with a wide range of responsibilities and authority. It was created to perform certain functions and to manage certain property for the common benefit of property owners and businesses within Beaver Creek. Today, these functions include:

- A. Marketing - providing marketing and advertising of the resort as a whole.
- B. Central Reservations - providing central reservation service for all hotels, lodges, and other rental properties, currently contracted with Beaver Creek Consultants, Inc. d/b/a Vail/Beaver Creek Central Reservations.
- C. Transportation - This function was assigned to the Beaver Creek Metropolitan District (a quasi-municipality) on January 1, 1999 thus providing inter-village service and parking lot shuttle system. (Transportation services may be assigned, but are still the responsibility of the Beaver Creek Resort Company.)
- D. Municipal Services - providing maintenance of common areas such as parks and community malls; providing Public Safety Services and controlled access to Beaver Creek Resort; providing solid waste collection and disposal service for common areas.
- E. Community Quality - monitoring environmental quality; protecting the public good, in areas such as dog and horse control; establishing a Design Review Board for architectural review and consistency of quality.

HOW DOES IT DO IT?

The Resort Company employs an Executive Director who reports to the Board. The Resort Company has eight administrative staff members who are provided pursuant to a contract with Vail Associates. In the interest of economy and efficiency, the Resort Company Board of Directors has entered into a management agreement with Vail Associates whereby Vail Associates, Inc. provides all the services required by the Resort Company at a fixed fee which includes all those functions outlined above, in addition to the administrative functions such as accounting, budgeting and planning. Under the Management Agreement, an annual budget is prepared and presented to the Board of Directors each September for review and approval. Copies of the proposed budgets are made available to members for review.

WHO IS IN THE RESORT COMPANY?

Since membership is automatic, that is, owners of property or commercial tenants automatically become members of the Resort Company; all members of the Beaver Creek Community constitute the Beaver Creek Resort Company. Voting rights are based on a membership classification system, simply defined as follows:

- Class A** *Residential* (1 Vote per Dwelling Unit built) currently represented by Mathew Juechter and Jim Kaylor, residential owners within the resort.

- Class B** *Hotel or Lodge* (1 Vote per Dwelling Unit) currently represented by Ross E. Bowker of East West Resorts, Inc.

- Class C** *Commercial* (1 Vote per 250 sq. ft.) currently represented by Brian Nolan, owner of the Beaver Creek Chophouse, Blue Moose, Flying Pig and Foxnut restaurants.

- Class D** *All others not A, B, C* (1 vote per Site) currently represented by Craig Tuber.

- Class E** *Declarant Special Member*, (1 vote) currently represented by James Donohue and Orla Bannan, both of whom are appointed by The Vail Corporation.

- Class F** *Mountain Special Member*, (1 vote) currently represented by Jim Kercher and Doug Lovell, appointed by The Vail Corporation.

Commencing with the Annual Meeting of Members in November 2004, one Class A Director will be elected each year to serve for a term of two years. Class C and E Directors are elected at annual meetings held in years ending in an even number while Class B, D and F Directors are elected at annual meetings held in odd years. The Officers for this year are President, Doug Lovell, and each of the other Board Members are Vice Presidents, Secretary is Jean Dennison and Treasurer is Tom Allen. The Executive Director is Tim Baker and the Director of Administration is Jean Dennison. The Executive Director is not an officer of the Resort Company.

WHERE DOES THE MONEY COME FROM?

The funding plan for the Resort Company was designed to be comprehensive and equitable for all its members. It recognizes the mixture of commercial, residential, and recreational activities within Beaver Creek. There are essentially six revenue sources:

1. Common Assessments are annual fees based on the assessed valuation of your property times a mill rate established by the Resort Company Board annually; however, the rate has been capped at 20 mills. This assessment is billed on or before May of every year and is payable on or before June 30. The Resort Company Common Assessments do not replace usual property tax liabilities. For the year 2012, the Resort Company Board of Directors set a zero mill rate; therefore, there is no Common Assessment billing in 2012.

2. Civic Assessments are special resort fees, which are based on 5.35% of your taxable sales.
3. Mountain Special Assessment. Since lift tickets are not taxable under Colorado Law, a special equivalent fee of 5% of lift ticket sales in Beaver Creek is paid by Vail Associates to the Resort Company. This also applies to on-mountain restaurant revenues.
4. Real Estate Transfer Assessment (RETA) is collected every time title to property is transferred. The assessment is equal to 2.375% of the market value.
5. Recreation Assessment is based on 5% of gross revenues from activities and services not taxable under Colorado Retail Sales Tax such as golf fees, tennis courts and lessons, ski school lessons, and horseback riding.
6. Lodging Assessments are special resort fees, which are based on 0.96% of rental income.

HOW CAN YOU GET INVOLVED?

The Resort Company administration, its Board of Directors, and its operations managers are all committed to providing high quality service and to maintaining good communication with its membership. If you are already familiar with the various managers of operations, we encourage that continued communication. But, if you are uncertain about whom to contact on a specific issue or question, call Administrator Jean Dennison at (970) 845-5896 for assistance and direction. The Resort Company is here to serve its membership. The Board meets every month and members are urged to communicate their concerns and ideas to their Directors.

NEED MORE INFORMATION?

This summary is intended to provide you with a nutshell explanation of the Beaver Creek Resort Company. It is a complex organization, and if you would like to know more, we urge you to obtain complete copies of the Articles of Incorporation, Bylaws, and Rules and Regulations. Please contact Jean Dennison, Director of Administration of the Resort Company, at (970) 845-5896, or P.O. Box 5390, Avon, CO 81620-5390. Administrative Offices are located in Suite 118-C of the Beaver Creek Lodge. Property owners in Beaver Creek Resort Company are also within the Beaver Creek Metropolitan District boundaries and are responsible for a variety of fees and taxes to the District. More information regarding the Metropolitan District is available at (970) 926-6060, or P.O. Box 976, Avon, CO 81620.