

**VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Friday – August 12, 2016
Minutes**

Attendees:

Richard Moothart	President
Fred Witsell	Vice President
Hal Naiman	Secretary
Greg Simpson	Member
Dave Cole	Member
Rhonda Salinsky	Member
Michael Bloom	Member
Patty Bortz	Member

Absent: Fred Bradford

Joe Adams	Association CPA – EKS&H
Sarah Montgomery	EKS&H
Jonah Hunt	Association Attorney – Orten Cavanagh and Holmes
Matt Ivy	General Manager
James Cannava	Association Controller
Beth Hensel	Taking minutes

Mark Christy	Homeowner Building 3, Unit 13
Sibel Gulec	Homeowner – Via teleconference Building 6, Unit 9
Becky Kennedy	Homeowner Building 5, Unit 10
Michael Turletaub	Homeowner Building 6, Unit 2
Leslie Levin	Homeowner Building 12, Unit 16

Call to Order:

The meeting was called to order at 1:15 pm. A quorum was established and notice of the meeting was proven.

Approval of the April 23, 2016 Meeting Minutes:

Mr. Cole made a motion to approve the April 23, 2016 meeting minutes as presented. Mr. Bloom seconded and the motion passed unanimously.

President's Report:

Dr. Moothart reported we have completed an important year with finalizing and moving forward with the special assessment. He felt the work the Board and management did to build a consensus amongst the homeowners was instrumental. The pamphlet, tours and open forums were proven to be successful with the directional vote from the owners passing with a 74-84% rate. He said this Monday starts the demos and repair of the Building 12 decks and the tennis court replacement will begin in after Labor Day.

Treasurer's Report:

Mr. Cannava reviewed the FYE financial results and said the fiscal year ended favorable to budget.

Mr. Cannava explained that as the board requested a legal review of the Association's insurance policy and a replacement cost evaluation was completed for the property. He said they will bid out insurance this fall.

CPA Review:

Mr. Adams explained that a review was conducted and that the books and records are in great shape. He reviewed the Financials including the Balance Sheet, Statements of Operating Revenue and Expenses, Statement of Changes in Fund Balances, Statements of Cash Flows and the Notes to the Financial Statements saying that primary changes are in Note 2 – Special Assessment. He said the Supplementary Information included the breakout of the combined Homeowners Association and the Club. He said the 10-year Capital Plan was not reviewed by their firm.

Manager's Report:

Unit Sales-

Mr. Ivy said 28 units have sold from August 2015 to August 2016. He said there were 14 one bedrooms sold from \$225,000 to \$320,000, 9 two bedrooms from \$363,000 to \$555,000, 1 three bedroom for \$560,000 and 4 townhomes from \$554,000 to \$790,000. Mr. Ivy reported there are currently only 5 units listed for sale and that was a low inventory and units have been selling quickly all year.

He reported the one bedrooms and two bedrooms appreciated by 4%, three bedrooms depreciated by 2% (but only one sold this year) and townhomes appreciated by 2%. He said this appreciation amount is identical to last year and the median sales prices are about the same as the averages.

Rental Update and Revenue Report-

Mr. Ivy reported it was the 2nd best year on record with similar room nights as in 2013/14 with about \$2.8M in sales and the average daily rate has increased by 4% comparably.

Special Assessment Update-

Mr. Ivy gave kudos to Jim Cannava and his team for their work following through in communicating with homeowners and obtaining their special assessment billing option preferences and then billing their statements according to the plan and timeline. He said 64 units have opted for a lump sum payment, 160 units for the 4 annual billings and 87 units for the 60 monthly billings.

Comcast Contract-

Mr. Ivy explained there have been many outages and interruptions some due to construction, electricity surges, etc. and he has a meeting with the regional managers to find solutions and resolutions to the ongoing issues. He said Comcast has stressed the importance for homeowners who experience problems to call the 855 Call Center number for Comcast so they can have accurate tracking of all of the problems. Discussion followed.

Blu's Restaurant-

Mr. Ivy reported that TJ Armstrong is interested in continuing the restaurant lease for the next term and the Board said they may reconvene a Restaurant Committee to review the restaurant and leases options.

Committee Reports:

Building and Grounds Committee-

Mr. Loftus gave a project update including the unplanned expense to repair the front hot tub leak. He said the Building 12 deck, sidewalk and patio project will begin on Monday, August 15th with the demolition of the stairs, decks, sidewalks and back patio and should be complete by mid-November. He explained how the steps would be replaced with a ramping sidewalk and the current sloping bridge would be abandoned with the addition of new pathway and level bridge. Discussion followed. He said the tennis court project will start the first week of September and be completed with the surface coating application in May of 2017. He said if the weather is favorable and the other projects are proceeding according to the timeline he hopes to move forward with accelerating the Building 3 deck project by starting the patios in mid-September with the deck and stair towers to be substantially completed by July 2017.

He then reviewed the calendar and anticipated timeline for all major projects scheduled over the next four years. Discussion followed. Mr. Loftus said buildings J, F and K would begin next summer and the committee was still helpful in narrowing down preferred design options. He said the design work was nearing completion and plans to have bid packages out to contractors. The bid responses will be prepared and then presented at the November Board meeting for review and a decision on awarding the contract.

Design Review-

12-9 Request to replace doors and windows. Mr. Loftus explained they wanted to replace the current front door with a full-light door, replace the bedroom sliding glass door with a window 18" above the deck, replace the living room sliding glass door with a window 18" above the deck and replace the 8' sliding glass door with a 6' sliding glass door and a 2" side window. Discussion followed regarding all requests had been done previously in other units so there was precedence. The Committee recommended approving all requests. The Board voted unanimously to approve the Committee's recommendation.

11-4 Request to approve previously installed half-bath and explained the Board had approved a similar project at 9-3. Discussion followed. The Committee recommended approving the request. The Board voted unanimously to approve the Committee's recommendation. Mr. Cole made a motion to require an indemnity agreement with the homeowners. Mr. Simpson seconded and the motion passed unanimously.

Club-

Ms. Salinsky reported there were 281 outside memberships and said they will have a new AMT trainer machine this fall.

Mr. Ivy handed out a proposal by Ms. Gulec (owner of 6-9) for membership assignment allowed to long-term renters. Discussion followed and all agreed they appreciated the effort of Ms. Gulec to put this proposal together. It was decided however that the Association would continue with its previous decision that owners renting long term on their own could not assign or transfer their membership since it violates the Governing Documents which was confirmed by counsel, Jonah Hunt. The Board noted that the Association did have an agreement in place that RBO long-term renters could purchase a membership for a reduced rate with no initiation fee. The Committee recommended

declining the proposal. The Board voted unanimously to approve the Committee's recommendation.

Mr. Hunt presented a Resolution to the Board to clarify the Declarations and By-Laws regarding the transfer of club memberships. Mr. Cole made a motion to accept the Resolution and Mr. Bloom seconded and the motion passed unanimously.

Rental Committee-

Dr. Moothart reported that the Rental Program had the 2nd best rental year on record and said the reserves are fully funded. He said with the fiscal year end surplus the participating homeowners received a 5% rebate on their regular rental nights. He said the Committee recommends also paying for the fall deep clean and preventative maintenance with the remaining additional surpluses. Discussion followed and the Board voted unanimously to approve the Committee's recommendation.

Compensation Committee-

Mr. Bloom reported that the Committee met and reviewed results.

Financial Committee-

Mr. Witsell explained the 72% of the homeowners had chosen the lump sum payment or the 4 annual payments which is a lower risk collectable and good for the Association.

Unfinished Business:

There was no unfinished business.

New Business:

Ms. Bortz asked for discussion regarding the Homeowner Survey. Discussion followed.

Homeowner's Letters-

Ms. Lindsey Knoten sent a letter encouraging the Board to conduct a reserve study by an outside specialist. The Board agreed to discuss this issue in Committee and at the next Board meeting.

Mr. Cole brought up a letter from Mr. Christy regarding noise of events at the VRC. Mr. Christy said the noise situation was better this summer than last summer and hadn't been as much of an issue. Mr. Ivy said the amplified music appears to be of concern and to address this there is a hard end time of 10:00 PM and they have purchased a decibel meter for monitoring.

Mr. Turteltaub asked to review the responsibility of the special assessment payment at the sale of the unit since he had heard the buyer has to pay. Mr. Ivy explained that it is the Association's policy to collect any unpaid assessment at closing and it is of no interest to the Association who actually pays the assessment; this can be negotiated and determined in the contract.

Ms. Bortz asked about the policy for the fireplace conversions that had already taken place in Building 9, 10, 11 and 12. Mr. Ivy reminded the Board that the decision was to either offer between \$2,500 and \$3,000 as an incentive to replace the old ones or a reimbursement if an owner had already upgraded them and this would be done in the same timeframe as the other natural gas fireplace conversions.

Discussion of the bike storage building and number of bike racks followed.

Mr. Ivy presented the dates for future Board meetings.

November 19, 2016 – Saturday - 8:30 am

February 2, 2017 – Thursday – teleconference

April 29, 2017 – Saturday – 8:00 am

August 11, 2017 – Friday – 8:30 am

August 12, 2017 – Saturday – 2:00 PM Annual Meeting

The Board approved the dates.

The meeting was adjourned at 4:40 pm.

**VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Saturday – November 19, 2016
Minutes**

Attendees:

Richard Moothart	President
Fred Witsell	Member
Michael Bloom	Member
Patty Bortz	Member
Fred Bradford	Member
Rhonda Salinsky	Member
Dave Cole	Member

Absent:

Greg Simpson	Member
Hal Naiman	Member

Homeowner:

Becky Kennedy	5-10
---------------	------

Matt Ivy	General Manager
James Cannava	Controller
Lindsay Stadler	Taking minutes

Call to Order:

The meeting was called to order at 8:34 AM. A quorum was established and notice of the meeting was proven.

Approval of the August 12, 2016 Meeting Minutes:

Mr. Witsell made a motion to approve the August 12, 2016 meeting minutes as presented. Ms. Bortz seconded and the motion passed unanimously.

President's Report:

Dr. Moothart commented that it has been an interesting and good year. The special assessment has been accepted with owners paying and no significant negative feedback. He commented on the warm fall weather affecting reservations, but the good news is Mr. Loftus has been able to move forward completing all of the major capital projects. He then thanked the Board members for their hard work on the committees.

Election of Officers-

Dr. Moothart asked for nominations for President, Vice President and Secretary. Mr. Witsell nominated Richard Moothart for President of the Board of Directions. Mr. Bloom seconded. Nominations were closed and Dr. Moothart was unanimously elected President.

Mr. Witsell nominated Greg Simpson for Vice President. Mr. Bradford seconded. Nominations were closed and Mr. Simpson was unanimously elected Vice President.

Mr. Witsell nominated Hal Naiman as Secretary, Ms. Bortz seconded. Nominations were closed and Mr. Naiman was unanimously elected Secretary.

Dr. Moothart asked the Board members to sign up for two committees and to verify their contact information.

Treasurer's Report:

Mr. Cannava was pleased to report that all entities were currently favorable compared to budget for FY 2017 and he reviewed the financials for all operations. He then reviewed the cash reserves, unit closings and special assessments.

Mr. Cannava informed the Board that there was a ~ 2.3% cost increase for property casualty insurance. Mr. Cannava said that the Association has reviewed flood insurance, noted the units are not in a 100 year flood zone and recommended staying with the current policy. Discussion followed. Ms. Bortz requested that the owners be reminded of the Insurance Guidelines and Mr. Cole said he would like to see a "Best Practices" handout developed for owners.

Mr. Cole requested a recap of what happens to the Rental Operation if there is a disastrous snow year. Mr. Ivy explained that there is a \$250K Rental Reserve Fund. Mr. Cole requested the Rental Committee consider saving surpluses to cover two bad years and Mr. Bradford said they will review the reserve policy.

Manager's Report:

Unit Sales-

Mr. Ivy said that 6 units have sold since August and reported that one bedrooms sold between \$279,000 and \$305,000, two bedrooms sold between \$576,000 and \$589,000 and one townhome at \$687,000.

Staff-

Mr. Ivy said that the Town of Vail is concerned about Rental By Owners because long term rental units are being converted to short term rentals and contributing to employee shortages. Mr. Ivy commented that this has put pressure on wages and he is concerned about the level of service due to staff shortages and unqualified applicants.

Foreclosure-

Mr. Ivy reviewed the account that is delinquent and reminded the Board that the owner filed Chapter 7 Bankruptcy. He said First Bank is foreclosing and the Association's attorney believes the six-month super lien is collectable. Mr. Ivy

reminded the Board that they previously authorized moving forward with foreclosure by email but legal counsel recommends, at this meeting, the Board pass a motion to proceed with Judicial Foreclosure Authorization. Mr. Cole made a motion to authorize the HOA to move forward with Judicial Foreclosure on Building 1, Unit 12 as recommended by counsel, Mr. Bradford seconded and the motion passed unanimously. Further discussion continued.

Homeowner updates-

Mr. Ivy mentioned the Rental Participants meeting, the Owner appreciation booklets and parking passes. He also asked whether or not the Association would consider electric car charging stations on property. Discussion followed and the Board would like to see additional information regarding this possibility.

Blu's Restaurant-

Mr. Ivy said that TJ Armstrong was interested in renewing his lease and he reviewed the current contract and renewal terms. Discussion followed. Mr. Armstrong joined the meeting and updated the Board on the restaurant. He then discussed his contract renewal and additional requests for the Board to consider. Mr. Armstrong left the meeting and discussion followed. Mr. Bradford made a motion to give Mr. Ivy the authority to work out the details with TJ Armstrong/Blu's Restaurant and finalize the lease renewal. Ms. Bortz seconded and the motion passed unanimously.

Rebecca Kennedy-

Rebecca Kennedy, the owner of 5-10, said she was concerned about the comments made by the Board in the letter addressed to her on September 16, 2016 and several Board members offered clarifying responses.

Committee Reports:

Building and Grounds Planning Committee –

Mr. Loftus reviewed the Fall Major Capital Projects including the progress timeline and expenses to budget. The improvements at Building 12 included replacing the creek side decks and stairs, a new paver patio, a stone retaining wall, a new bridge and a new sloped walkway. The maintenance team worked cooperatively with the framing contractor which helps to keep costs down and the project moving.

Next Mr. Loftus reviewed the tennis court project which included demoing the hard tennis courts and fencing next to the club building and replacing the 3 courts with 2 post tension courts and adding new landscaping and a paver patio viewing area. He expected the project to come in under budget which funds can be used for the bike storage building since it has been enlarged since the initial plans and will be over the original budget.

Mr. Loftus presented the patio replacement project at Building 3 which included demoing the existing patio, installing a paver patio, snowmelt system and drain

line. He said the ideal plan for all the buildings is to replace the patios in the fall season and then replace the decks in the spring. Mr. Loftus also confirmed that the plan is to use pavers instead of the stamped concrete on the condo patios.

Mr. Loftus said they had already received Town of Vail DRB approval for the new bike storage building which was an important milestone and he reviewed the plan and finishes.

Mr. Loftus lead the Board on a property tour of all the fall major projects.

Mr. Loftus presented the new townhome design and said this design received the most support from the Townhome Architectural Review Committee. Mr. Loftus said they worked with the architect on design options for the paired entryways on Building F and showed the Board several of the designs. He said a good solution was an arched roof and ended up pricing that design option as well which ended up being a less expensive option. In order to afford the additional stone facade preferred by the Architectural Review Committee, it would make sense to go with the arch entry for these townhomes. Discussion followed and the Board supported the arch design. Mr. Witsell asked if there will be a mix of arched entries and conventional entries on different buildings and Mr. Loftus said that was likely because of the variety of entry designs throughout the townhomes.

The Building and Grounds Committee made a motion to approve the townhome design package presented by Mr. Loftus which includes stucco, stone, siding and the arched entry design and the motion passed unanimously. However, if after receiving a design update the Townhome Architectural Review Committee members overwhelmingly voice concern and are opposed, Mr. Ivy will inform the Board.

Mr. Loftus presented the general contractors and their bids for the first phase of the major capital projects at the townhomes, Buildings F, J and K. Discussion followed. Mr. Witsell made a motion to approve Eric Weis Construction as the general contractor, Mr. Bradford seconded and the motion passed unanimously.

Design Review-

Mr. Loftus presented the Design Review Application from the owner of F1 who would like to enclose a portion of his existing deck and is requesting to extend their deck 5'. This is the same improvement that has been approved and accomplished at several other townhome units. He would also like to add a window on the north wall which would face unit E4 and would like to replace all of the windows with new vinyl windows. Discussion followed. The Building and Grounds Committee recommended approval of the proposed enclosure and deck extension contingent on a signed indemnity agreement, obtaining proper Town of Vail permits and the owner must coordinate the improvements with Steve Loftus to make certain this remodel will not disrupt, impede, delay or add additional costs to the Major Capital Projects next spring/summer. The Committee also

recommended that the request for vinyl windows and the proposed additional window be denied. The motion was approved unanimously.

Mr. Loftus presented the Design Review Application from the owner of F-2 who would like to enclose a portion of his existing deck and is requesting to extend their deck 5'. The owner is also requesting to replace the patio door with a 3 panel folding door similar to what was approved previously at unit P4 and replacing all of the windows with the same vinyl product as proposed by F-1 (however, if vinyl is not approved then he would like to replace his windows with the pre-approved clad). The Building and Grounds Committee recommended approval of the proposed enclosure and deck extension contingent on a signed indemnity agreement, obtaining proper Town of Vail permits and the owner must coordinate with the improvements with Steve Loftus to make certain this remodel will not disrupt, impede, delay or add additional costs to the Major Capital Projects next spring/summer. The Committee also recommended that the request for the patio door be approved and the vinyl windows be denied. The motion was approved unanimously.

Mr. Cole requested that the Design Review Application for J-2 which was approved one year ago be extended another year. The Building and Grounds Committee made a motion to approve the one year extension contingent coordinating the improvements with Steve Loftus to make certain this remodel will not disrupt, impede, delay or add additional costs to the Major Capital Projects next spring/summer. The motion was approved unanimously.

The Building and Grounds planning committee recommended that all Design Review Application approvals be valid for two years instead of one year. The motion was approved unanimously.

Mr. Ivy commended Mr. Loftus and his team for their extraordinary efforts on completing the Fall Major Capital Projects and doing an excellent job.

Rental Committee-

Mr. Bradford reported is has been a good year. The Short Term Rental owners were rebated 5% of revenue this year and income surpluses paid for the fall deep cleans and preventative maintenance inspections. Mr. Bradford said that they are moving towards an all-white look with white duvet/coverlets and pillows on the beds. They do not immediately plan to make it mandatory, but will require owners to switch to the new look as their old comforters wear out. The program will be offered to participants in the near future once the pricing and details are finalized.

Club Committee-

Ms. Salinsky reviewed various Club updates and said the Committee recommends striping for a pickleball court in the practice court (basketball/ tennis backstop area) as a test to see how popular it would be. Discussion followed and the space would remain as a multi-purpose court with a portable net and people

could sign up at the Front Desk to reserve the court. If it proved to be very popular, then the Board could consider expanding pickleball to the tennis courts across the street. The recommendation passed unanimously.

Compensation –

Mr. Bloom said the committee met and is making some changes in the category weighting.

Unfinished Business:

The Board reviewed correspondence from Lindsey Knoten (1-5) regarding having a third party reserve study completed. Discussion followed. It was concluded that the current annually updated long range Capital Plan would adequately address property needs for the foreseeable future. The Board may consider this sometime in the future after the Major Capital Projects are concluded and this would be a more appropriate time since the Board does not foresee making any immediate changes to the current funding structure.

Foreclosure-

Mr. Cole asked Mr. Ivy to provide the Board with pros & cons of buying the foreclosure unit. Mr. Witsell asked Mr. Ivy to confirm with the Attorney how the Right of First Refusal is handled under a foreclosure.

Recycling-

Ms. Bortz noted the recycling is sometimes overflowing and Mr. Ivy said they have recently scheduled more frequent pick-ups; three times a week. Discussion followed and Mr. Ivy said they will review additional recycling options.

Future Meeting Dates-

February 2, 2017 – Thursday at 2:00 PM Telephone Conference

April 29, 2017 – Saturday at 8:30 AM

August 11, 2017 – Friday at 1:00 PM

August 12, 2017 Annual Meeting – Saturday at 2:00 PM Meeting

Adjournment

The meeting adjourned – 12:49pm.

Vail Racquet Club
BOARD OF DIRECTORS MEETING
Thursday – February 2, 2017
Minutes

Attendees:

Richard Moothart	President
Greg Simpson	Vice President
Hal Naiman	Secretary
Michael Bloom	Member
Fred Bradford	Member
Dave Cole	Member
Rhonda Salinsky	Member
Fred Witsell	Member

Absent:

Patty Bortz	Member
-------------	--------

Matt Ivy	General Manager
Jim Cannava	Controller
Lindsay Stadler	Taking Minutes

Call to Order:

The meeting was called to order at 3:05 PM. A quorum was established and notice of the meeting was proven.

Approval of the November 19, 2016 Meeting Minutes:

Mr. Bradford made a motion to approve the November 19, 2016 meeting minutes as presented. The motion was seconded and passed unanimously.

President's Report:

Dr. Moothart commented that there has been a lot of snow which is fantastic, but can make parking and snow removal challenging. Steve Loftus and his team are doing a good job with snow removal. He is pleased to report the 2017 state of the Vail Racquet Club Mountain Resort is good.

Treasurer's Report:

Mr. Cannava reviewed the FY 2017 YTD December 2016 financials and reported all three entities are in good standing. He then reported on the Association Reserves and Cash Balance.

Mr. Cannava reviewed the Association's insurance and presented options for flood insurance for the Board to consider. He noted that the VRCMR is not in a flood plain and discussion followed. Mr. Cannava explained that there is a General Contractors Liability Policy that would offer coverage with a \$367K premium. Discussion followed. Mr. Ivy confirmed with the Board that

they would like to retain the current policy without additional flood insurance and they would also like to continue with the policy of transferring liability to the General and Sub Contractors instead of purchasing GC insurance.

Mr. Cannava noted some of the FY 2018 planning factors including small increases to water in 2017, a Club member and guest fee potential rate change, continued pressure on wages, a significant gas rate increase in 2017, and the short booking window for snow dependent reservations in forecasting Rental Income.

Manager's Report:

Unit Sales-

Mr. Ivy reported that 5 units have sold since the November meeting. One, 1 bedroom unit sold for \$329,000, a 2 bedroom for \$583,000 and townhome C3 which is a completely renovated high end unit with creek views is under contract for \$1,075,000.

Rental Update-

Mr. Ivy noted the significant snow fall since Thanksgiving and reported that reservations were very last minute with 25% of December revenue booked in the month of December and 21% of January revenue being booked in the month of January. He said March is lagging behind with only 47% of budgeted revenue on the books and due to the last minute booking trend, if the snow does not continue then it could have a huge impact on year end results.

Foreclosure Update:

Mr. Ivy provided a recap on Building 1, Unit 12 which filed bankruptcy. He reviewed the foreclosure process, the Superlien, the attorney's position and the pros and cons of the Association purchasing the unit. Discussion followed. Mr. Cole made a motion to allow Mr. Cole, Mr. Naiman, Mr. Moothart and Mr. Ivy to decide if the Association should proceed with the purchase of Building 1, Unit 12 if the sales price is listed for \$350,000 or less. Mr. Witsell seconded and the motion was approved.

Right of First Refusal Resolution (ROFR)-

Mr. Ivy informed the Board that owners rarely exercise their ROFR and over time less than 1% of all sales have been picked up on a ROFR. He presented a Right of First Refusal Resolution prepared and recommended by the Association's counsel and Mr. Cole requested the amount of time the Association has to send the ROFR letter out to the owners be added to the resolution and the Board agreed.

Townhome Architectural Review –

Mr. Ivy reminded the Board that at the November meeting they approved the new Townhome design contingent on informing the Townhome Architectural Review Committee and if there was no overwhelming concern voiced by the Committee then the Association would proceed as approved. He said those that responded were very pleased with the design and arched entries. The project is currently undergoing the DRB process with the Town.

Committee Reports:

Building and Grounds Planning Committee-

Mr. Loftus reported that the Maintenance Safety program has been extremely successful and they have celebrated their 10 year anniversary without a recordable injury. He also reported on the challenges of snow removal with this being the biggest season for hauling snow on site and they are spending more money on labor. Mr. Loftus said he does not want to haul any snow off site as that becomes incredibly pricey; however the amount of snow removal has been tough on the aging equipment and he reviewed the condition of the Bobcat and plow truck.

Mr. Loftus presented the FY 17/18 Proposed Capital Plan which combines the Special Assessment Projects with the regular Capital Projects as one. The Special Assessment Projects include the deck replacement at Building 3, the deck replacement project at Building 5 beginning in the fall with patios and completed next spring, design work for Building 13, Townhome F, J and K building exteriors, the first steps for the condo fireplace conversion to gas and the bike storage building. Mr. Loftus reminded the Board that the bike storage unit was originally proposed at \$100,000 but the new design has doubled in size. Fortunately, there was a saving on the tennis courts which will be reallocated to help offset some of the additional cost.

Mr. Loftus reported the Regular Capital Projects portion of the proposed plan includes townhome roof replacements and chimney shrouds at Buildings F, J and K, a potential new plow truck if necessary, the common hallway refurbishment at Building 9, Eagle River Water and Sanitation PRV backflow prevention, a new sign at the Townhome east entrance, refinishing the practice court for pickleball and any clay or hard court repairs. The grand total for the proposed plan is \$1,893,000 and they will be looking for final approval at the April meeting.

Mr. Loftus then reviewed the Project Construction Timeline. Mr. Cole asked if the townhome exterior renovations at Buildings F, J and K will run April through November. Mr. Loftus responded that he has kept the schedule loose with the General Contractor in order to keep the cost within budget which makes this a more strung out process. He noted that the Townhome Architectural Review Committee process ended up being good, but it slowed things down and it was very challenging to get bids from contractors because everyone is so busy and they don't even have time to bid.

Design Reviews-

Mr. Loftus presented a Design Review application from the owner of F1 who would like to increase the size of a window facing Building E. Discussion followed. The Building and Grounds Planning Committee made a motion to approve the new proposed window design at townhome F1. The motion was approved unanimously.

Mr. Loftus presented a Design Review application from the owner of H2 who would like to enclose a portion of the existing deck and would like to use slider doors with divided lights. Discussion followed. The Building and Grounds Planning Committee made a motion to approve the dining room expansion by 40 inches as presented on the plan, but not the slider door

mulleins with the condition of signing an Indemnity Agreement and obtaining the proper Town permits and approvals. The motion was approved unanimously.

Rental-

Mr. Bradford reported that the last minute reservation booking trend continues and they are concerned about March rentals. He said based on this trend, the Committee does not plan to increase next year's budgeted revenue amount. As requested by the Board, the Committee has reviewed whether or not the current \$250,000 Rental Reserve is adequate. He said the Committee feels the recent 5% rebates to participants have been very popular but they plan to work towards a \$300,000 Rental Reserve in the future funded by additional surpluses beyond any rebate amount.

Club –

Ms. Salinsky said that outside memberships were very good with 310 members and was pleased to report that revenue was stronger than they anticipated. The club currently offers 23 classes/week and Mr. Ivy and Mr. Holst are looking into a CompuTrainer cycling program. She said the club guest fees are being reviewed and the committee hopes to make some recommended changes at the April Board of Directors Meeting. They also reviewed the Retail Shop and are pleased with the product selection and how it is going.

Unfinished Business:

There was no unfinished business.

Future Meeting Dates:

Mr. Bradford requested the April Board Meeting be moved to Vail's closing weekend. After discussion the consensus was not to modify the meeting dates.

April 29, 2017 – Saturday at 8:30 AM

August 11, 2017 – Friday at 1:00 PM

August 12, 2017 Annual Homeowner Meeting – Saturday at 2:00 PM

Adjournment:

The meeting was adjourned at 4:42 PM.

**VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Saturday – April 29, 2017
Minutes**

Attendees:

Richard Moothart	President
Hal Naiman	Secretary
Dave Cole	Member
Fred Witsell	Member - via phone
Rhonda Salinsky	Member
Michael Bloom	Member
Patty Bortz	Member – via phone
Fred Bradford	Member – via phone

Absent: Greg Simpson – Vice President

Matt Ivy	General Manager
James Cannava	Association Controller
Beth Hensel	Taking minutes

Becky Kennedy Homeowner 5-10 – via phone

Call to Order:

The meeting was called to order at 8:35 am. A quorum was established and notice of the meeting was proven.

Approval of the February 2, 2017 Meeting Minutes:

Ms. Bortz made a motion to approve the February 2, 2017 meeting minutes as presented. Mr. Naiman seconded and the motion passed unanimously.

President's Report:

Dr. Moothart reported they completed the winter season with reservations dropping off due to a lack of new snow and unusually warm weather. He said even with that the year will still finish strong. He said construction projects are moving forward with stable funding and all committees had met recently.

Treasurer's Report:

Mr. Cannava reviewed the Fiscal Year End projections and reported all entities were favorable to budget. He said each entity is projected to have a net depreciation surplus and Mr. Cole made a motion to move the surpluses to their respective Reserve Funds. Mr. Naiman seconded and the motion passed unanimously.

Manager's Report:

Unit Sales-

Mr. Ivy reported 7 units have sold since January 1st. He said there were 2 one bedrooms sold from \$299,900 to \$314,000, 1 two bedroom at \$583,000, 1 three bedroom for \$610,000 and 3 townhomes from \$652,000 to \$1,075,000 which is a new benchmark. He said there are currently only 3 units listed for sale which is a low inventory and units have been selling quickly. Discussion followed.

Rental Update and Revenue Report-

Mr. Ivy reported the snow was late in coming and ended early with low snowfall in March causing reservations to drop. He said the last minute reservations trend for the winter continued but on balance it was a very good year.

Mr. Ivy added that the Lodging Program has proceeded with a 2-way interfacing system called Saber/Synexus to help simplify the reservation booking process.

Executive Session – legal matters:

1-12-

Mr. Bloom made a motion for the Association to pursue the sale of the VRC lien rights on unit 1-12. Mr. Cole seconded and the motion passed unanimously.

Right of First Refusal-

Mr. Cole made a motion to accept the updated Resolution as presented. Mr. Bloom seconded, discussion followed and the motion passed unanimously.

The Executive Session ended.

Committee Reports:

Building and Grounds Committee-

Mr. Loftus reviewed the Work Comp claim history and explained the success of the safety program and savings to the Association.

Mr. Loftus gave a project update and reviewed the budget. He said that overall, this year's capital plan would finish \$35,000 under budget if we stripped out the costs associated with the acceleration of the townhome projects.

Mr. Loftus presented the 2017/18 Capital Plan. He explained some funds have been shifted forward to better reflect the timing of costs hitting each fiscal year and reiterated the difficulty with the fiscal year starting on June 1 which is right in the middle of the big projects. He reviewed the 10 Year Capital Plan and projected reserve balance. After assessments and the completion of major projects it showed the anticipated year-end balance would stay near \$500,000 which is the desired minimum balance amount.

The Building and Grounds Committee recommended approving the 2017/18 Budget as presented. The Board voted unanimously to approve.

Design Review-

J-3 requested to build a deck on outside their ground level by the creek. Discussion followed. The Committee recommended approving the request with the typical indemnity agreement. The Board voted unanimously to approve the Committee's recommendation.

J-2 requested to add a window in the bedroom and Mr. Loftus explained there was a precedent for this in some of the original construction. The Committee recommended approving the request with Mr. Loftus and Mr. Ivy meeting with the owner and contractor to ensure the proper window elevation. The Board voted unanimously to approve the Committee's recommendation.

F-1 & F-2 requested to change front doors to 3 paned doors as presented. Discussion followed. The Committee recommended approving the change of front doors. The Board voted unanimously to approve the Committee's recommendation.

Finance Committee-

Mr. Witsell reviewed the proposed budget which is basically status quo and explained that the 2017/18 budget reflects an HOA dues increase of 1.4% dedicated to Operations. He reminded the Board that 71% of the dues are designated for Operations and 29% for Capital Reserves. He said the Committee recommended approving the 2017/18 Budget as presented. The Board voted unanimously to approve the Committee's recommendation.

Rental Committee-

Mr. Bradford reported the Rental Program had a very good year and it was the 2nd best revenue year on record with a projected surplus of \$119,000. He said the Committee recommended that the surplus be returned to participants in the form of a 4% rebate on their regular rental nights. The Board voted unanimously to approve the Committee's recommendation.

Mr. Ivy explained that there was a request by a two bedroom homeowner participating in the rental program to not have a sleeper sofa. Discussion followed. It was determined that a homeowner must still accommodate the maximum allowable occupancy and if this owner did not have a sleeper sofa they could make accommodation by providing alternative sleeping arrangements such as an air mattress. Such accommodation would need to be approved by management.

Club Committee-

Ms. Salinsky reported there were 280 outside memberships. She said they are keeping most of the class schedule through the off season and they will not add the CompuTrainer cycling program as planned because the company went out of business. She said the equipment is holding up well and there are no replacements currently planned; those funds are being used for the additional outdoor furniture for the new tennis courts.

Ms. Salinsky presented the new membership rate proposal as recommended by the Committee. She explained the daily use rates for outside guests would increase \$5 to \$30 per adult, the 10 punch card would increase to \$200 and the guest of owner and member rate would remain at \$10 when the guest was accompanied by the owner or member. She said the individual memberships would increase by \$10/month and Family memberships would increase by \$20/month with the initiation rates remaining the same. Discussion followed. Ms. Salinsky said the Committee recommended approving the proposed rate changes. The Board voted unanimously to approve the Committee's recommendation.

New Business:

Ms. Bortz mentioned that the stairs in the restaurant going up to the bar are very worn and need attention. Mr. Ivy said he would approach TJ to address the issue.

Mr. Ivy presented a sales comparison with VRC and the East Vail neighborhood for the past year. On balance square footage property values increased at a faster pace than the neighboring properties.

Next meetings:

August 11, 2017 – Friday – Board of Directors; 1:00 PM

August 12, 2017 – Saturday – Annual Meeting: 2:00 PM

Mr. Ivy said the Board positions up election at this year's Annual Meeting are Richard Moothart, Dave Cole and Greg Simpson.

Mr. Ivy said the Annual Homeowner Survey is sent out in the spring and would go out in about a month. He asked if there were any suggested questions, to please let him know.

The meeting was adjourned at 11:30 am.