

**VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Friday – August 11, 2017
Minutes**

Attendees:

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

Absent: Rhonda Salinsky

Joe Adams	Association CPA – EKS&H
Jonah Hunt	Association Attorney – Orten Cavanagh and Holmes
Matt Ivy	General Manager
James Cannava	Association Controller
Steve Loftus	Association Maintenance Director
Nils Peterson	Taking minutes

Henry Mitchell	Homeowner Building 3, Unit 1
Mark Christie	Homeowner Building 3, Unit 13
Becky Kennedy	Homeowner Building 5, Unit 10
Greg Grotke	Homeowner Building 9, Unit 6

Call to Order:

The meeting was called to order at 1:10 pm. A quorum was established and notice of the meeting was proven.

Approval of the April 29, 2017 Meeting Minutes:

Mr. Bradford made a motion to approve the April 29, 2017 meeting minutes as presented. Mr. Cole seconded and the motion passed unanimously.

President's Report:

Dr. Moothart reported that last fiscal year was a great year for the Vail Racquet Club with payments on assessments paid in a timely manner and all of the capital projects on schedule and within the overall budget.

Treasurer's Report:

Mr. Cannava reviewed the FYE and reported that all operations were favorable to budget and the operating surpluses had been moved to the respective reserve funds. Mr. Cannava also reported that the beginning of fiscal year 2017-2018 is tracking on budget.

CPA Review:

Mr. Adams explained that a review was conducted which is less in scope than an audit which is done on a 5 year cycle. He noted that the EKS&H opinion was a clean review and 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.

Mr. Adams reviewed the combined operating revenue and expenses for the Homeowner Association and Club operation. Mr. Adams then reviewed the Actual Expenses to Budgeted Expenses and the supplemental information. Mr. Adams reiterated that the books and records are in great shape thanks to Mr. Cannava and his team.

The Board went into Executive Session. The Board closed its Executive Session and reconvened the regular meeting

Motion-

Mr. Bradford made a motion to approve the updated Governance Policies as proposed from the Association’s legal counsel. Mr. Cole seconded the motion and the vote passed unanimously.

Manager’s Report:

Unit Sales-

Mr. Ivy reported that there were 25 unit sales for the preceding year (Aug. 14, 2016 – August 10, 2017) with sales prices for each unit types:

- 1 Bedroom Low: \$279,000 High: \$350,000
- 2 Bedroom Low: \$423,000 High: \$629,000
- 3 Bedroom Low: \$610,000 High: \$661,500
- Townhome Low: \$652,000 High: \$1,075,000

Mr. Ivy cited that appreciation over the past few years had been between 2% and 3%, however for the preceding year, appreciation for 1 bedrooms was 13%, 2 bedrooms was 19%, 3 bedrooms was 14%, and appreciation for townhomes was 20%.

Mr. Cole found the information to be exceptional and asked if it was due to the special assessment. Mr. Ivy said that it has played a role in the rise in prices and there is a lot of positive buzz in the real estate community regarding the VRC improvements. He also said that units have sold very quickly with a consistently low inventory on the market.

Owner Relations Manager-

Mr. Ivy informed the Board of Directors that the Association had hired a new Owner Relations Manager, Stephanie Silversmith.

Rental-

Mr. Ivy reported that due to the capital project construction at Building 3 and Townhomes F, J, and K, the available units in the rental pool were down 20% in May and

June, and 10% in July and August. Mr. Ivy reported that rental revenue is down only 3% YOY concluding that summer business has been strong.

Mountain Haus Common Area Assessment Comparison-

Mr. Ivy reviewed a common area assessment comparative analysis done by the Mountain Haus for similar associations in Vail. The report cited the common operating assessments by square foot and reported the Vail Racquet Club as the lowest operating assessment per square foot by a considerable margin. Mr. Bradford mentioned it appears to be a good bargain to own at the Vail Racquet Club and all agreed.

Mr. Ivy reported that staffing shortages and affordable housing are town-wide issues that the VRC is experiencing especially at the front desk and in housekeeping. He said the staff shortages are causing hourly wage rates to increase with little availability of employees and the County has reported a 1.7 percent unemployment rate.

He said the Town is reviewing the Rental by Owner situation and believes that it is exacerbating the housing problem with long term rentals turning into short term rentals. He said the Town is considering other regulations and stricter enforcement in dealing with the RBO issues.

Committee Reports:

Building and Grounds Committee-

Mr. Loftus presented a project update highlighting the capital projects related to the special assessment. Mr. Loftus stated that the projects are progressing in an excellent fashion with each on the projected schedule and within the overall budget. He reviewed each project and their costs relative to budget including Building 12 Deck Project, Tennis Courts, Pickleball and the Building 3 Deck Project. Mr. Loftus concluded that Building 3 is forecasted to be under budget due to eliminating the sealed top deck and changing the patio surface from stamped concrete to patio pavers. He said that the upcoming Building 5 Deck Project is forecasted to have higher expenses than on Building 3 due to tariffs imposed on Canadian wood.

Next, Mr. Loftus reviewed the Bike Storage relocation and budget. Mr. Loftus illustrated the scope of the project and highlighted the management plan which will have a Keypad system for access by homeowners and will be available on a first come, first serve basis with owners responsible for locking their bikes. Mr. Loftus concluded that the plan would be reviewed in the spring and based on usage stricter controls could be implemented as necessary.

Mr. Loftus reviewed the first phase of the townhome project that included Buildings F, J, and K and said the construction is on schedule and tracking within budget.

Future Timeline-

Mr. Loftus stated the upcoming projects for the next year include the Building 5 Deck Project, Phase 2 Townhome Project including Buildings M, N, O, and P, as well as the start of the natural gas mains conversion.

Mr. Witsell asked if the townhome owners will be given a package deal for windows and doors. Mr. Loftus mentioned that due to the construction of the townhomes, each unit is different, and each owner is responsible for any additional remodeling. Mr. Loftus mentioned he has a contractor list if needed.

Design Review-

Townhome N-1 – proposed to enclose the deck and capture the space for the interior with the customary deck expansion off of the current dining room deck area. The owner proposed two alternatives: Option 1; extension straight out as typical with these remodels or, Option 2; a deck extension with a wraparound deck added to the side of the building. The Board noted the concern with Option 2 is the wraparound addition would obstruct the view corridor for Building L Townhomes.

In addition, the owners of N-1 proposed adding a patio on the ground level outside of the basement bedrooms. This is a similar proposal to the one approved for J-3, but using flagstones and boulders instead of decking. Mr. Ivy stated the need for an indemnity agreement and the recommendation was to approve the projects. Mr. Cole asked what type of stone they would be using. Mr. Loftus informed the board of Directors they would be using flagstones similar to the grill patio near the tennis courts.

Mr. Bradford motioned for the two projects to be approved without the wraparound portion of the deck addition and with an indemnity agreement. Mr. Cole seconded the motion, and the motion passed unanimously.

Townhome J-3 – The owners of J-3 proposed a new entry door with two alternatives. Both of the doors are Pella doors that are very similar in design. Discussion followed. Mrs. Bortz made a motion to approve both options and to let the owners choose. Mr. Bradford seconded the motion, and the motion passed unanimously.

Mr. Mitchell (03-01) asked if the portion of labor that is coming from in-house workers is being costed to the projects or to the owners and Mr. Loftus confirmed that the hours are charged to the projects.

Dr. Moothart thanked Mr. Loftus for staying on top of the schedule and staying on budget.

Club-

Mr. Ivy reported good news on the financial side with rates on outside memberships and guest fees being raised but no fallout on memberships and guest fees are higher with less usage. Mr. Bradford mentioned that the crowds seem to have dropped due to the club's staff and internal controls. Mr. Ivy mentioned that having a lifeguard for the entire summer and implementing Lap Swimming Lane signs have both been successful.

Mr. Ivy discussed tennis court number 10 across the street saying the ground was unstable, the court could not cost effectively be rehabilitated and it was a spectacular spot

on property which could be better utilized. Discussion followed and it was agreed that Mr. Ivy would bring a plan and cost estimates to the November meeting for the Board's consideration.

Mr. Ivy reported receiving feedback that owners are using the park area to let their dogs off leash. Discussion followed. The Board concluded that, at this point, the Association should send out additional correspondence to owners in the homeowner letters to reinforce the importance of following the park rules so everyone can enjoy the park area.

Rental Committee-

Mr. Bradford reiterated the success of the year and said the rental operation paid out a rebate of 4% of regular room revenue to the participating homeowners. There was \$16,000 left over above the 4% rebate and it was transferred to the reserve to increase the fund to \$266,000 with the goal of reaching \$300,000.

The rental operation is beginning to implement the all-white look in the rental units as current bedspreads wear out. Stephanie Silversmith, Owner Relations Manager, will be sending an email out to homeowners related to the coverlets as well as the unit ratings.

Unfinished Business:

There was no unfinished business.

New Business:

Homeowner Survey Results-

Dr. Moothart opened New Business with the Homeowner Survey Results. Dr. Moothart reported that 41% of homeowners have been owners at the Vail Racquet Club for over ten years with 75% over the age of 50 years old. He said some owners were unaware of the owner website and they would work on better communicating that resource. He continued stating that the staff scores of very good or excellent were at 75% or greater which speaks highly of the quality job they are doing and concluded saying that the Association has a great staff.

Ms. Kennedy (05-10) asked where homeowners could find the Board of Directors actions that are voted for approval at the Annual Meeting. Dr. Moothart replied that we assume homeowners are aware of the actions based off what is in the monthly newsletters and President's letters sent to all homeowners, as well as the information on the website.

Ms. Kennedy (05-10) asked when the Association does the annual training of rights and duties for homeowners. Mr. Hunt said that the law states that it is homeowner education, not necessarily training and the requirement is held to the discretion of the Board of Directors. Education can be provided to owners in many forms, including newsletter articles, educational or substantive topics at Board and Member meetings, etc.

Mr. Mitchell (03-01) had two suggested topics for the Board of Directors: Reviewing the 6% increase rule in Monthly Dues, and removing the travel expense reimbursement to Board Members. Mr. Witsell mentioned the increases have been below 2% and asked Mr.

Cannava if the two of them could review the situation and consider adjusting the policy to reflect current needs.

Dr. Moothart finished the New Business by reminding the Board of Directors of the Annual Meeting the following day at 2 PM.

Future Board Meeting Dates-

November 18, 2017 – Saturday – 8:30 AM

February 8, 2018 – Thursday – Teleconference

April 21, 2018 – Saturday – 8:30 AM

August 10, 2018 – Friday – 1:00 PM

August 11, 2018 – Saturday – 2:00 PM Annual Meeting

Mr. Cole called a motion to approve the dates. Mr. Witsell seconded the motion, and the motion passed unanimously.

The meeting was adjourned at 4:00 pm.

**VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Saturday – November 18, 2017
Minutes**

Attendees:

Richard Moothart	President
Greg Simpson	Vice-President
Fred Witsell	Member
Michael Bloom	Member
Patty Bortz	Member
Fred Bradford	Member
Dave Cole	Member
Rhonda Salinsky	Member
Matt Ivy	General Manager
James Cannava	Association Controller
Lindsay Stadler	Taking minutes

Absent:

Hal Naiman	Secretary
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Homeowners:

Becky Kennedy	Building 5, Unit 10
Greg Grotke	Building 9, Unit 6

Call to Order:

The meeting was called to order at 8:40am. A quorum was established and notice of the meeting was proven.

Approval of the August 11, 2017 Meeting Minutes:

Ms. Bortz made a motion to approve the August 11, 2017 meeting minutes as presented. Mr. Witsell seconded and the motion passed unanimously.

President's Report:

Dr. Moothart commented that over the last year, things have been very good at the Vail Racquet Club Mountain Resort. He noted that Steve Loftus is doing an incredible job completing the Major Capital Projects and staying on track and within budget and said there would be a property tour later in the meeting.

Election of Officers-

Dr. Moothart asked for nominations for Present, Vice President and Secretary. Mr. Witsell thanked Dr. Moothart who has served an unbelievable seven years as President of the Board of Directors. Mr. Witsell nominated Fred Bradford for President. Ms. Bortz seconded. Nominations were closed and Mr. Bradford was unanimously elected President.

Mr. Witsell nominated Patty Bortz for Vice President. Mr. Bradford seconded. Nominations were closed and Ms. Bortz was unanimously elected Vice President.

Mr. Witsell nominated Hal Naiman for Secretary. Mr. Bradford seconded. Nominations were closed and Mr. Naiman was unanimously elected Secretary.

Treasurer's Report:

Mr. Cannava reviewed the YTD FY 2018 financials for each entity. Discussion followed.

Mr. Cannava reviewed the Homeowner's Association Insurance policy renewal and rates. He commented that the increased insurance rate is due to Front Range hail storms, national hurricanes, fires etc. Discussion followed regarding the deductible amount and the amount of property insurance. Mr. Ivy confirmed they would get additional pricing to raise the Property Insurance for amounts up to \$300 per square foot, Ordinance of Law to increase to \$2 million and increase the deductible from \$5,000 to \$10,000. The Board gave Management direction to make changes after providing Michael Bloom, Building and Grounds committee chair, with final numbers. All agreed.

Mr. Cannava reviewed a Rental Operation Analysis prepared by Management including a breakdown of variable and fixed expenses, and a breakeven analysis. He stated that without a profitable Rental Operation services being offered to all homeowners would decrease and the cost of ownership would become more expensive with sizable increases in club dues and monthly assessments to offset the Rental Operation's contributions.

Mr. Witsell commented that Airbnb, HomeAway and VRBO now appear to handle every aspect of a rental and therefore are acting as an outside agent which is against the Association's Bylaws. Discussion continued and Ms. Bortz mentioned that owners who are non-rental, or rent on their own, still do not understand the contribution the Rental Operation makes to benefit all owners.

Ms. Bortz suggested the Board better explain the value of the program and its impact on property values. Mr. Cannava noted that with the addition of only 10 more units (110 units) in the rental program, the Association could offer an attractive rental income split of 60% Owner and 40% Rental Operation/Club and the split could get somewhat better as more units joined.

Manager's Report:

Unit Sales –

Mr. Ivy reviewed the real estate sales activity from January 1, 2017 through November 17, 2017 and said there had been 24 units sold for the following price ranges:

Building 6, Unit 3 Mold Remediation –

Mr. Ivy informed the Board that a small area of mold had been discovered in Building 6, unit 3, producing a light spore count. The owner found a ceiling light fixture filled with water and contacted an outside company who did mold testing. Mr. Ivy said it appears to be a common area issue and the owner would like to use their contractor whose quote for remediation and repairs is much higher than other quotes. Mr. Bloom noted the Association needs to make certain the mold is taken care of and discussion followed. It was agreed that the contractor was ultimately the Association's decision since it was common area.

Right of First Refusal –

An owner has requested each ROFR be emailed to owners as well as regular mail. Association's Counsel recommends not emailing the ROFR as it could create an unfair advantage. The Board agreed.

Park –

Mr. Lathrop, an owner, requested the Association better enforce the park signage which states no dogs in the park. Discussion followed and it was decided to continue the reminders next spring and monitor the situation.

Blu's-

TJ Armstrong, owner of Blu's, joined the meeting. TJ said that staffing has been a big concern and noted it is a Valley-wide issue/epidemic. Mr. Simpson asked if Blu's would benefit from any marketing assistance from the Association with social media or promotions. TJ confirmed that the Association already provides assistance and that Mr. Ivy and his team have been very good about helping to promote and support Blu's. Dr. Moothart thanked TJ and reminded the Board what an important amenity Blu's is for the VRCMR.

Committee Reports:

Building & Grounds Planning Committee –

Mr. Loftus joined the meeting and reviewed the Design Review Applications. He said that unit P2 is requesting to extend the dining area space and deck 5 feet. It is the same improvement completed by P1 and P4. Mr. Cole made a motion to approve the proposed deck extension contingent on a signed indemnity agreement, a cantilever design and the owner is responsible for common area restoration. Mr. Bradford seconded and the motion was approved unanimously.

Mr. Loftus said unit N4 is requesting to add additional electric service to the unit as the current electric panel is maxed out. Mr. Witsell made a motion to approve the additional electric service to unit N4 contingent on the common area being restored as coordinated with Steve Loftus. Mr. Bradford noted the neighbors should be informed. Mr. Cole seconded and the motion was approved unanimously.

Mr. Loftus said Building 7, Unit 23 is requesting to upgrade the exterior window with a new material from the Home Depot Anderson line. He expressed his concern that the longevity of the product has not been proven. Mr. Simpson noted the concern of setting a precedent of approving a potentially inferior quality product. Mr. Bradford made a motion to approve the new windows on a provisional "trial" basis and if the product fails including color fading within 10 years the owner will be responsible for the immediate replacement. Mr. Simpson seconded and the motion passed unanimously.

Mr. Loftus said Building 12, Unit 2 would like to put in a bush or landscape rock to help block their view of the parking lot. Mr. Cole made a motion to approve a landscape rock, but not a bush, which would be coordinated with Steve Loftus. Mr. Bradford seconded and the motion passed unanimously.

Rental Committee-

Mr. Bradford informed the Board that it has been a great year but reiterated the need for more snow. The Rental participants received a 4% rental income rebate. He said the Rental Reserve is currently funded with a goal of reaching \$300,000 in bad snow reserves in addition to the capital reserve. He also noted they are moving to an all-white bedding look which is current with industry trends and noted the Rental Participants meeting in the afternoon.

Club Committee-

Ms. Salinsky reported there are currently 250 outside members and that the increased rates have been successful with little push back from the current members. She said they are considering a plan to remove tennis court 10 which has been abandoned and replace it with a wedding venue and park area. Ms. Salinsky also asked the Board for locker room improvement ideas as they begin to prepare a plan for the remodels. Discussion continued.

Executive Session-

Mr. Bloom said the Compensation Committee recommends releasing the incentive and planned to move forward with the program; all agreed.

Contracts-

Mr. Ivy said they are reviewing contracts for next spring and hope to use the same contractors at the Townhomes and deck project and have put some projects out to competitive bid. He said, since they are pleased with the work that has been accomplished, they recommend that if the bid stays within margins, then the Association should to move forward with a trusted relationship; the Board all agreed.

Unfinished Business -

Mr. Ivy said the sealed deck surface has been failing aesthetically on the top floor of Building 8 for a number of years and there is now a concern outlined in a letter from the owner of Building 8, Unit 13 regarding a slight ripple. The Board

suggested they revisit the issue after the winter season, reassess the situation to see how the surface is holding up and consider a temporary solution at that time which would address concerns until the decks on Building 8 are replaced according to the Association's deck replacement schedule.

New Business:

Mr. Ivy reminded the Board of the Rental Participant's Meeting today.

Mr. Ivy presented the future meeting dates and all agreed as follows:

- February 6, 2:30 PM MT – Tuesday – via teleconference
- April 21, 8:30 AM – Saturday
- August 10, 1:00 PM – Friday
- August 11, 2:00 PM - Saturday - Annual Meeting

Adjournment:

Mr. Witsell made a motion to adjourn the meeting after the property tour, Mr. Bloom seconded and all agreed.

Property Tour –

Mr. Loftus led the Board on a property tour and visited tennis court 10, which has been abandoned due to structural cracks. The Board considered repurposing the court and making it a park and wedding venue. The Board noted its attractive location with nice views of the waterfall and all agreed that the area could be put to better use. It was decided that management would present the funding plan as part of the capital projects review at the February meeting and possibly move forward with the project next spring.

The Board then toured and inspected all of the major capital improvements on property to assess the progress, completion and quality. This included the Building 3 deck project, Building 5 patio and walkway, Townhomes F, J and K, and Bike Storage among other past projects. The Board confirmed that they are very pleased with the outcome, quality and overall enhancements to the property. The Board also inspected the top level deck on Building 8 and common hallways on Building 9.

The meeting adjourned at 1:40 PM.

**VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Thursday – February 6, 2018
Minutes**

Attendees:

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

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

Becky Kennedy Homeowner 5-10

Call to Order:

The meeting was called to order at 2:35 pm. A quorum was established and notice of the meeting was proven.

Approval of the November 18, 2017 Meeting Minutes:

Mr. Cole made a motion to approve the November 18, 2017 meeting minutes as presented. Mr. Simpson seconded and the motion passed unanimously.

President's Report:

Mr. Bradford reviewed the agenda for the meeting and explained the light snow year was reflective in the occupancy and maintenance expenses so far this year.

Treasurer's Report:

Mr. Cannava explained the changes in the property and casualty insurance that the Board had requested. He said the agreed property value increased from \$71M to \$87M, the deductible increased from \$5K to \$10K and building law and ordinance coverage increased from \$1M to \$2M. He reminded the meeting that they received a bid for flood and added that VRC falls outside the 500 year flood zone. Discussion of flood insurance followed and Mr. Cannava said they would again provide a quote in November.

2018/19 Budget Planning Factors-

Mr. Cannava explained that management plans to recommend a status quo budget across all entities with increased expense due to inflationary pressures in labor and supplies. Mr. Cannava then reviewed Year to Date net income for all entities.

Manager's Report:

Unit Sales-

Mr. Ivy reported 2 units have sold since the November meeting. He said there was 1, one bedroom sold for \$360,000 and 1, two bedroom at \$570,000.

Rental Update and Revenue Report-

Mr. Ivy reminded the Board that the Rental Operation is budgeted in the red through January. He said overall winter has been down due to lack of snow with the Back Bowls not opening until January 13th. He said so far group business has been supporting the operation but felt they could be close to a break even this year by controlling expenses, but did not anticipate any surpluses.

Updated Website-

Mr. Ivy explained the new website was launching soon with a new look, better booking engine and club specific pages.

Staffing-

Mr. Ivy reported that the housing shortage in town continued which was driving up the cost of labor and making it difficult to find employees especially for the Front Desk, Housekeeping and restaurant.

Maintenance-

Mr. Ivy reported that Steve Loftus's safety program has continued to be effective and they just reached the 11 year milestone with no recordable injuries which is a great accomplishment. He added as a testament to the low snowfall this year, there have been no dump truck loads required to remove the snow whereas last year at this time, there were over 500 by now.

Committee Reports:

Building and Grounds Committee-

Mr. Loftus reviewed 2017/18 Capital Plan results to date and the other major Capital Projects and explained that it was all good news and he is forecasting a savings to budget.

Mr. Loftus presented a preliminary 2018/19 Special Assessment Plan that includes Building 5 decks, Building 13 decks, Building 14 decks, TH exteriors, Condo fireplace conversion to gas and locker room refurbishment for a total of approximately \$2M. He then presented a preliminary 2018/19 Capital Projects Plan that includes TH roof replacement, plow truck replacement, Building 10 Common Hallways, ERWSD Compliance project continuation, Building 13 pavers & walkways, Condo fireplace incentives and Tennis court maintenance for a total of approximately \$630K. Discussion of the townhome plans followed. Mr. Loftus reminded the Board that they will not demo the tennis court across the street as they postponed that project. Mr. Loftus then reviewed the 10-year Capital Plan and the Assessment Project Timeline.

Design Review N-1-

Mr. Loftus explained the homeowners of N-1 requested to replace 3 windows with a new slider door over the new patio. The Committee recommends not approving the request since architecturally it won't fit in with the rest of the buildings. Discussion followed. The Board voted unanimously against the request.

Club Committee-

Ms. Salinsky reported the Club membership remained steady even with the rate increase, guest fees are tracking well and the punch cards are working well. She said

the Club is operating favorable to budget and due to budget concerns they will be waiting to demo the tennis courts across the street.

Rental Committee-

The meeting went into Executive Session. Mr. Ivy explained that the Town of Vail had a new STR Ordinance regulating RBOs with one of the stipulations being that any participating unit needs to obtain a local agent to have access and authority to assume management of the unit. The Committee recommends the following:

1. Engage an additional law firm to provide the Board with a second opinion regarding the Town of Vail's new Short Term Rental Ordinance and how it pertains to the Association's Exclusive Rental Agent Bylaw.
 - a. Fact based opinion with recommended course of action
 - b. Provide all Governing Documents referencing Exclusive Rental Agent
 - c. Provide the Town's ordinance
 - d. Provide history of prior actions (2013 VRBO et. al. enforcement concerning third party websites acting as agents and compromise concluding with the adoption of the RBO rules)
2. Send a letter to owners informing them of:
 - a. Town of Vail ordinance
 - b. Potential conflict with Association's Exclusive Agent Bylaw
 - c. Board is evaluating how compliance with the ordinance may be effected by the Governing Documents
 - d. Owner forums will be held for an opportunity to share information and perspectives regarding the new ordinance to assist the Board in making any final determinations
 - i. Town will be contacted to see if they will participate in a presentation of the ordinance and requirements
3. Set dates for owner forums when Board members can attend
4. Timeline: process will take several months
 - a. Cannot meet the Town's March 1st ordinance deadline
 - b. The Board needs to give thoughtful consideration for how best to proceed
 - c. If enforceable, the Association may want to consider a grace period for Bylaw compliance

New Business:

The members thanked Matt for his great work and thought the GoToMeeting was great.

Mr. Simpson asked for the exact number of rentals going to VRBO and AirBnB and the unit's conditions be ready to report for the next meeting.

Board meeting schedule:

April 21, 2018 – Saturday 8:00 am

August 10, 2018 – Friday 1:00 pm

August 11, 2018 – Saturday 2:00 pm – Annual Meeting

The meeting was adjourned at 5:10 pm.

**VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Saturday – April 21, 2018
Minutes**

Attendees:

Fred Bradford	President
Patty Bortz	Vice president
Hal Naiman	Secretary
Richard Moothart	Member
Dave Cole	Member
Fred Witsell	Vice President
Rhonda Salinsky	Member
Michael Bloom	Member
Greg Simpson	Member
Matt Ivy	General Manager
James Cannava	Association Controller
Beth Hensel	Taking minutes
Becky Kennedy	Homeowner 5-10

Call to Order:

The meeting was called to order at 8:03 am. A quorum was established and notice of the meeting was proven.

Approval of the February 6, 2018 Meeting Minutes:

Mr. Cole made a motion to approve the February 6, 2018 meeting minutes as presented. Mr. Simpson seconded and the motion passed unanimously.

President's Report:

Mr. Bradford expressed his good impression of the Committee meetings and the dedication and hard work of all the members of the Board. He said overall the VRC did fine financially considering the weather conditions this winter.

Treasurer's Report:

Mr. Cannava reviewed the financials, year-end estimates and surpluses. Mr. Bloom made a motion to transfer all 2017/18 surpluses to the respective reserve funds. Discussion followed regarding past surpluses in the Rental program being distributed to participants. Ms. Bortz seconded and the motion passed unanimously.

Executive Session:

An Executive Session was called to discuss legal matters and compensation. Executive Session concluded and the regular meeting resumed.

Committee Reports:

Rental Committee-

Pertaining to the Town of Vail's STR Ordinance requirement that non-local RBO owners must have a local agent, the Rental Committee recommends:

- 1. Enforce the Exclusive Rental, Lodging and Overnight Occupancy Bylaw**

- 2. Provide owners with notification of decision and timeline for Bylaw compliance**
- 3. Inform the Town of Vail of the Association's Bylaws and position**
- 4. Assist RBOs with participation in the Lodging Program**
- 5. Promote the Lodging Operation benefits provided to all owners**

Discussion followed. The Board voted and unanimously approved the Rental Committee's recommendation.

Compensation Committee-

Discussion regarding the employee shortage situation and Management should consider adding smaller spot bonuses and items like tickets or gift certificates. The Wage and Salary Guidelines were endorsed along with the above recommendations.

Building and Grounds Committee-

Mr. Loftus reviewed the safety program. He then reviewed the past projects that were completed since the Assessment started and how each performed according to the original budget.

He then reviewed the Capital Plan, scope of work and the Budget for 2018/19. Mr. Bloom made a motion to approve the Capital Plan for 2018/19 as presented. Mr. Naiman seconded and the motion passed unanimously.

Mr. Loftus presented the 10-Year Capital Plan. He then reviewed the schedule of upcoming construction projects and discussion followed regarding the locker room plan options.

Design Reviews-

N1 – The homeowners have a previously approved deck/dining extension and have requested to raise the deck header and replace the sliding glass door with a Nanawall. They also requested the replacement and reorientation of some windows. Discussion followed. Mr. Cole made a motion to approve all requests contingent on both N1 and N2 agreeing to do the header work and the Nanawall door being the same size as used in the prior approval for P-4. Mr. Witsell seconded and the motion passed unanimously.

N2 – The homeowners requested the standard deck extension and to capture some of the current deck into the interior dining area. Mr. Cole made a motion to approve the request as presented with the usual indemnity agreement. Ms. Bortz seconded and the motion passed unanimously.

Finance Committee:

Mr. Witsell reviewed the proposed 2018/2019 Budget. He said the Committee recommends accepting the Budget as presented with the slight increase in monthly assessments (1.6%) to cover some inflationary pressures. The Board voted on the Finance Committee's recommendation and the recommendation was unanimously approved.

Club Committee:

Ms. Salinsky reported on the outside memberships and good financials. She said the capital projects for the Club will probably schedule both men's and women's locker

rooms at the same time possibly in the fall of 2019. She reported the Club is looking at getting 2-3 Peloton bikes and said they are also looking to replace the carpet in the fitness center.

Manager's Report:

Unit Sales-

Mr. Ivy reported 5 units have sold since the February meeting. He said there was 1 one bedroom sold for \$340,000, 3 two bedrooms from \$525,000-\$600,000 and 1 townhome for \$885,000. He said 7 units have sold since the beginning of the year and there are currently 3 units for sale. He added there is low inventory which is great for pricing and units are selling quickly.

Snow and Rental Statistics-

Mr. Ivy reported the low snowfall percentages and said the groups have helped bring the operation in without a loss this year. Discussion followed regarding booking timing with group sales and Mr. Ivy said more reservations are coming in last minute.

Blu's-

Mr. Ivy explained the restaurant's lease and discussion followed.

New Business:

Board meeting schedule:

August 10, 2018 – Friday 1:00 pm

August 11, 2018 – Saturday 2:00 pm – Annual Meeting

The meeting was adjourned at 1:10 pm.