



December 7, 2020

Dear Homeowner,

The Board of Directors recently held our quarterly meeting and I would like to provide you with an update of our activities. We began with the election of officers for the next year and I have the pleasure of serving as your President, Patty Bortz will continue to serve as Vice President and Hal Naiman will continue as Secretary. Also, we welcomed two new members to the Board, Kathy Summers (1-12) and Peter Koclanes (J-4).

We reviewed the Association's insurance policy and specific areas of the property and liability coverage (please see the correspondence from our agent and the Insurance Guidelines following this letter). According to the Board's longer-range plan, there was an increase in the building replacement values to keep up with construction costs. The overall premium increase remained minimal again this year at only 2 percent and is reflected in the biannual insurance billing on your statement this month. Our agent has explained that this increase is well below the double digit increases they are seeing in the market due to the devastating fires, hurricanes and hail that have affected the Country.

Fortunately, our YTD financial report showed all entities are performing better than expected at this point in our fiscal year. Of course, due to COVID, the Association's budget was more conservative than usual, but the operating results so far are encouraging. If the Association can maintain a similar pace throughout the winter season the anticipated losses will be minimized. It's important to remember that the winter months are the make or break time of year, and there is still great concern over the COVID situation and the unknowns it presents. Given the ongoing situation, the Board felt that it is best to maintain the conservative budget, not make any adjustments at this time, and continue monitoring the finances as the fiscal year proceeds.

During our meeting, the Board reviewed the COVID situation in Vail which is currently at the State's Orange Level with greater limitations of capacity numbers. The incident rates of people testing positive for COVID in Eagle County has risen during the fall and there is concern that the County may go to the even more restrictive Red level if the numbers do not decrease in the near term.

In addition to the more extensive cleaning and sanitation, we now have an electrostatic fogger which disburse a disinfecting mist that wraps around and adheres to surfaces. This is being used in conjunction with the other cleaning and sanitizing procedures to provide a safer environment in the Club facilities and building. We have also added more hand sanitation opportunities with new automatic dispensers placed throughout the building.

With the strict limitations and social distancing requirements, the Association plans to implement a hot tub reservations system for the evenings this winter. More information will follow as to the timing and procedure. Additionally, due to the continued capacity concerns the No Outside Guest Policy will remain in effect and outside guests will not be allowed to use the facilities unless they are accompanied by an owner.

The Board reviewed the Homeowner Survey results and we are appreciative of the feedback and found the comments useful. Overall, the results showed a positive response to the Association's management of the COVID situation as well as the remote Annual Meeting. Thank you to those owners who completed this year's survey; it is very beneficial for the Board.



We received a remarkable 2020 real estate update which showed 32 transactions so far this year with new benchmark sales being set. The following are the sales ranges so far this year: one bedroom units ranged from \$325,000 to \$442,000; two bedrooms between \$560,000 and \$680,000; three bedroom condominiums had no sales, and Townhomes ranged between \$772,000 and \$1,325,000. The uptick in properties listed and interested buyers appears to be somewhat in response to more people being able to work remotely and feeling safer in our mountain environment.

The Board received a thorough update on the major capital improvements which have been completed during the past four years. There have been significant enhancements to many of the buildings, facilities and grounds all of which have made an impact on updating the overall aesthetic and providing opportunities to enjoy our wonderful property. Major improvements this past year include the locker rooms, swimming pool, Building 14 decks, stair towers and grounds, townhomes A, B, C and E exterior remodel and landscaping improvements around the completed buildings, the common hallways on Building 11, and the first phase in natural gas fireplace installations with larger storage closets in Building 3, 4 and 5.

As we look forward to next year, the fireplace project will continue in the spring and proceed through the fall. Also, the Building 15 deck project is planned to begin in April with the deck structure replacement on the back side, new deck surface throughout and improved stair towers.

The Board is very pleased that the projects continue to be successfully completed to a high standard. Considering the substantial increase in construction costs since we began the Major Projects, it is remarkable that they have come within our overall budget. Thank you to our management and especially Steve Loftus who has painstakingly coordinated all aspects of the projects and worked to greatly improve our property while keeping tight control over expenses.

I look forward to serving as your President and appreciate your support.

Sincerely,

Fred Bradford
President