



September 8, 2020

Dear Homeowner,

This year, our Annual Homeowners Meeting was held remotely for the first time. Thank you to all of the owners who either attended the Annual Meeting or sent in a proxy. Your participation is very much appreciated. Since the COVID pandemic, many of us have become familiar with remote meetings and the feedback we have received from many attendees is the meeting was well coordinated and worthwhile. Thank you also to the staff who investigated meeting and voting options, prepared the meeting and did the behind the scenes work to make it successful.

Although the Association had received enough RSVPs and proxies prior to the meeting to achieve a quorum, not enough owners actually attended the meeting to meet the quorum requirements of 156 units being represented. Therefore, the meeting was informational in nature and no official business was conducted i.e. the 2019 Annual Meeting Minutes were not approved (they will be added to the 2021 Annual Meeting Agenda for approval) and there was not an election of the Board of Directors. In the future, whether the Annual Meeting is held in-person or remotely, please consider either attending or sending in a proxy so a quorum can be reached, and the Association can hold an official meeting.

During the Annual Meeting, it was not certain whether or not a quorum had been achieved (this needed to be verified after the meeting concluded in order to cross reference the attendees list with the unit owners), so an election to fill the three Board vacancies was held in case the meeting did reach a quorum. Unfortunately, no quorum was achieved, so this ended up being a "straw vote" and the three candidates who received the highest number of votes were: Peter Koclanes (J-4), Greg Simpson (6-1) and Kathy Summers (1-12).

The Bylaws of the Association give the Board of Directors the duty to appoint owners to vacant Board positions. The three open positions were for three-year terms and legal counsel advised that the Board should make appointments since it would not be healthy for the Board to have one third of its seats vacant. They also advised that the Board needs to have continuity and if appointments were not made, six of nine positions would expire next year, and vacancies would also leave an even number of Directors, so a tie could not be overcome. Based on the best judgement of the Board, a decision was made to appoint Peter Koclanes, Greg Simpson and Kathy Summers to fill the vacant positions.

Thank you to everyone who expressed an interest in running for the Board and offering their time and expertise in service of the Association. The Board has two new members on the Board this year, four new members in the last two years, and we encourage other owners to consider serving on the Board in the future. If you should have an interest or questions regarding serving as a Director, please email board@VRCMR.com or relay your interest to our General Manager, Matt Ivy, and he will pass along the information.



Of special mention, I would like to acknowledge Richard Moothart (5-13) who served on the Board for 14 years; his experience and institutional knowledge will be missed. Richard was active on several committees over his tenure and chaired the Buildings and Grounds Planning Committee. He also served as President for several years and guided the Association through many difficult decisions including the Rental by Owner evaluation and rules, restaurateur changeovers and the Critical Unfunded Projects development and corresponding special assessment. Thank you to Richard for his hard work, leadership and dedication to the Association.

At the meeting, Joe Adams from the CPA firm of Plante Moran reported on the results of the 2019/20 financial review and offered a clean opinion. He noted that in spite of the COVID outbreak and related closures during the final quarter of the fiscal year, the combined operations of the Association concluded the year successfully. This allowed operational surpluses to be dedicated toward their respective Capital Reserve Funds. If you were unable to attend the meeting and would like to receive a copy of the reviewed financials, please contact our Director of Finance and Operations, Jim Cannava, at (970) 477-3046 or jim@VRCMR.com.

Matt Ivy reported that the real estate market has continued to be very active again this year with a total of 25 units sold. New sales price benchmarks were set for one bedroom, two bedroom and townhome units and average property value appreciation continues to increase year over year. He mentioned that the property capital improvements are having a positive effect on the values and the VRCMR remains desirable to buyers.

Matt also reviewed the Association's COVID response and Vail Health updates. He explained that all of the governmental Orders have been followed, protocols and rules have been adopted and there is a set schedule for cleaning and disinfecting. He also noted that short term rental units have 24 hours between guests and described the unit sanitizing procedures. He reported that most of the facilities were open and available except for the locker room showers, steam room and sauna, the adult hot tub, and locker room towels were not available. He said the Association must operate in compliance with Orders and guidelines and these areas cannot be safely managed and controlled at this time.

Steve Loftus, our Director of Facilities and Grounds, provided a thorough update of the major capital projects completed to date and those which will be completed this fall. These included:

- **Building 12:** Back deck, patio and sidewalk replacements
- **Buildings 3, 5, 13 and 14:** New patios, decks and stair tower refurbishment
- **Townhome exteriors:** All townhomes completed or completion this fall
- **Tennis Courts:** New post tension tennis courts with patio viewing area
- **Pickleball:** New multipurpose court
- **Bike Storage:** New bike storage building
- **Building 9, 10 and 11:** Refurbished common area hallways

- **Natural gas fireplaces:** infrastructure in place, and the installations are now beginning
- **Family Room on the Club level:** ADA compliant
- **Locker Room remodel:** new floor plan, amenities, lockers and updated finishes

Steve also reviewed the Bike Barn storage limitations and he is currently investigating additional bike racks which would help to increase the storage capacity. He mentioned that the grant for the electric vehicle charging station was not approved at this time, however the Association is installing infrastructure in conjunction with the current projects which will allow simpler installation of EV charging stations in the future.

Under Committee Reports, Patty Bortz, the Rental Committee chairperson, noted that the Lodging Operation is a benefit to all homeowners by providing services which enhance our ownership experience and offset some expenses that would otherwise be the responsibility of all homeowners. She relayed that the revenue is down significantly due to COVID and everything is very uncertain moving forward. Fortunately, past Boards had the foresight to create a rental reserve fund to help with difficult times and keep the operation afloat. She added that Wendy Martin, the Director of Sales and Marketing, has done an excellent job marketing and spreading the word that the VRC is a great place to visit and social distance with plenty of open space, separate unit entries, close proximity to hiking and biking trails, and many other outdoor family activities.

Rhonda Salinsky, the Club Committee chairperson, reported that the Club is a high touch facility and required protocols have frequently changed, sometimes daily. There is a new sign-in procedure; a liability waiver and member pledge are required to be signed whenever someone is using the club facilities. She reviewed the pool reservation system and said that no outside guests are being permitted at this time unless they are accompanied by an owner. She noted what a challenging time it is and that the Board understands the new policies are not always easy to follow and patience is key. She closed by stating that the health and safety of the VRC owners and club members are the highest priority.

Dave Cole, the Finance Committee Chairman, reported that last fiscal year ended favorably even with the governmental restrictions and closures. Due to the positive outcome, the Board felt it was appropriate to retro most of staff's pay reductions. However, the reductions will continue during this fiscal year and will be reviewed based on financial performance and securing forgiveness of the Association's PPP loan. Dave also reviewed the approved "Base Case" Budget which assumes no income initially then slowly builds to about 50% of normal income by the end of ski season. He said with so much uncertainty, the Board will remain nimble and review the budget periodically in order to make adjustments as they are needed. In the meantime, the Board feels it is best to stay the current course and not make any changes this early in our fiscal year. He noted that the budget anticipates losses, but the HOA is financially sound and has solid reserves.



The draft minutes of the unofficial Annual Meeting will be sent out with the October monthly statements. Again, thank you to all owners who participated in our Annual Homeowner Meeting.

These are indeed difficult times with much uncertainty and stress. The Board continues to be very much engaged with Management in guiding the Association and working to be fiscally responsible while having health and safety as a priority. We would like thank Matt Ivy and his team for their sound judgement and hard work on behalf of the Association during these challenging times.

Please take care, stay well and safely enjoy our beautiful mountain property.

Sincerely,

A handwritten signature in black ink that reads "Fred Bradford". The signature is written in a cursive, flowing style.

Fred Bradford
President



Capital Project Progress Report

September 2020

Building 14 Deck Replacement & Stair Tower Refurbishment



Stucco & Stair tower trim work in progress.

Capital Project Progress Report

September 2020

Townhome A, B, C & E Siding Project



Capital Project Progress Report

September 2020

Townhome A, B, C & E Siding Project



Capital Project Progress Report

September 2020

Fireplace Conversion Project



New gas fireplace.

Capital Project Progress Report

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Fireplace Conversion Project



Large storage closets with claimed chase space.



Vail Racquet Club

Back to School!

September
2020

The Old Muddy Gazette

VRC Class Update

For September

Pilates Mat

Tuesday's @ 11:30am (Lara) & 5:30pm (Malin)

Masters Swim

Monday's—Wednesday's—Friday's @ 7:00am

Yoga

Wednesday's @ 9:00am (Sally)



Mountain Shoppe

35% Off

Clothing



TENNIS

PRIVATE & GROUP LESSONS

ARE STILL AVAILABLE THROUGH

SEPTEMBER, CALL

AND MAKE AN APPOINTMENT TODAY!

Call Greg Wanner @ (970)390-3823



Vail Racquet Club Fitness Center Rules

- Social distancing of at least 6 feet must be maintained at all times.
- Members must accept personal responsibility for their safety and welfare.
- A maximum of 14 people total allowed in Fitness Center at one time.
- A maximum of 2 unrelated people allowed in Free Weight area at one time.
- Must have one machine in between users. You must always leave an empty weight machine between you and another person using the equipment.
- Members must wipe down and sanitize machines, equipment, and accessories before and after each use.
- Face masks or face coverings are required at all times while working out unless you are the only person in the fitness center.
- Members should bring their own water & towels



EST. 2018

HEIRLOOM

Call for Reservations (970) 688-5437

Open for Dinner

Wednesday—Saturday @ 5:30pm

Member Responsibility Pledge:

We're all in this together.

By utilizing the Club Facility,

I acknowledge that I have read, understand and will follow the Member Pledge and the Club protocols.

I will stay home and not use any of the Club facilities if I am feeling unwell, sick, or displaying any of the symptoms of Covid-19. I agree to immediately get tested if I have symptoms and inform the Vail Racquet Club if I test positive and have recently used the facilities

A Face Covering is required while using any indoor facilities (fitness areas, free weights, private classes, restrooms, etc.).

According to the Public Health Order, an individual is exempt from this requirement if they are exercising alone or with others from the individual's household and a face covering would interfere with the activity. However, when another unrelated person enters the area a face covering must always be worn.

I accept personal responsibility for my safety and welfare

I will always maintain at least 6 feet of social distancing

I will practice good gym etiquette by sanitizing all machines and equipment before and after I use them

I will bring my own water and towels