Vail Racquet Club
Mountain Resort

September 8, 2022

Dear Homeowner,

Thank you to all of the owners who either attended the Annual Meeting or sent in a proxy. Your participation is appreciated, and it allowed the Association to establish a quorum and hold an official meeting. It is encouraging to see that the virtual format has allowed more homeowners to participate in the meeting than in past years. The draft minutes of the meeting will be included with October's monthly statement and the following is a brief recap of the meeting and a few other updates.

Board Election
During the meeting, the election for the Board of Directors took place. This year Molly Daniels (8-5), Paul DeLauro (10-14) and I, Fred Bradford, (5-2 and 5-3) were elected. Once again, the voting result of the owners in attendance and Board of Directors were the same. Thank you to everyone who expressed an interest in running for the Board and offering their time and expertise in service of the Association.

CPA Report
Tracy Goldberg from the CPA firm of Plante Moran reviewed the preliminary 2021/22 financial audit results. She noted that the club and lodging operations both had record revenue years which contributed to their respective surpluses. The rental operation surpluses will be distributed to participants in the form of an additional return of 6% on their revenues plus complimentary deep cleanings and preventative maintenance.

Ms. Goldberg explained that a full audit was completed this year and is much more in scope than a review. She was pleased to report, they plan to give the Association an unqualified opinion (clean audit report) once the final audit is complete. If you would like to receive a copy of the audited financials once they are completed, please contact our Director of Finance, John Russell, at (970) 477-3046 or jrussell@vailracquetclub.com.

Real Estate Sales
It was reported that there have been strong real estate sales again this year with a total of 19 units that were sold. The year-over-year appreciation is again very impressive with average one-bedroom units increasing by 35%, two-bedrooms by 26% and townhomes by 16%.

Each year the Board conducts a study comparing our property to other East Vail condominiums and townhomes, and consistently our values increase at a higher rate than comparative properties. We all know that real estate is booming, but it also appears that the significant property improvements have had a positive effect on the values and the VRCMR remains very attractive to buyers.

Building and Grounds Report
Speaking of property improvements, Steve Loftus, our Director of Facilities and Grounds, provided a property report and reviewed plans for replacing the original Adult Hot Tub with two new hot tubs and a refurbishment of the surrounding area. As of this week demolition is underway and we expect this upgraded amenity to be available for use this winter.

During this project, remember that the back walkway between the tennis courts and clubhouse will be closed. Please follow the detour signs and do not enter the area. Also, be observant of hazards (materials, heavy equipment, and construction activities) in the area and maintain a safe distance. We are excited for the continued improvements to our property and thank you for your patience in this process.

Steve also reviewed the recycling concerns and expressed frustration with ongoing recycling violations mostly from plastic bags. He said his department is regularly pulling plastic bags out of the recycling centers and noted the recycling trucks have cameras mounted on the trucks and if the main office sees any violations, then they are charging fees starting at $110 per violation. Please remember that plastic bags are the main issue so do not place any plastic bags in recycling. If your bag is full of recycling materials make sure to empty them into the recycling dumpster and then throw away the plastic bag.

Vail Employee Shortage
The valley-wide workforce shortage crisis was reviewed, and the situation has not improved over the last year. Businesses, including ours, are short staffed and cannot find employees with nearly no applicants for open positions. One of the driving factors is a lack of housing which has been affected by people fleeing the cities during COVID and buying up properties that were formally housing local employees. Also, the Rental by Owner phenomenon has also displaced employee housing in neighborhoods as rentals were changed from long-term housing for employees to short-term nightly rentals to guests.

One advantage that we have is our Garden Level Rental units (small one bedroom employee housing units) which are currently being used by front desk, maintenance, housekeeping, club and resturant staff. This helps tremendously in attracting and retaining employees, but we still don't have enough to meet the demand. Remember the staff we have is doing the best they can under the circumstances and things may take a little longer, so be patient and offer a kind word of thanks.

Rental Committee Report
Under Committee Reports, Patty Bortz, the Rental Committee Chairperson, reiterated that there was an impressive surplus for FY2022 which will be given back to all active rental participates in the form of a 6% rebate on their nightly revenue, plus deep cleaning, and preventative maintenance. This will make the effective short-term rental income split the best ever with 61% going to the owner. Summer business has again been very busy and with winter reservations starting to come in now is a good time to consider joining the Short-Term program.

Patty also reminded homeowners that the Association does not fund the Short-Term Rental Program in any way. It is a stand-alone operation, and 5% of rental revenues helps support the Club with a contribution of $157k this past year. The Rental Operation income also pays for additional VRC staff, extended hours, additional maintenance and housekeeping services and monitoring Club access. She noted without this program, dues would have to increase significantly to maintain the same level of services at the VRC.

Club Committee Report
Rhonda Salinsky, the Club Committee Chairperson, reported that despite raising outside member dues this year, business has been strong with outside memberships at 334 which is the highest on record. The Club usage has been monitored and even with the high member numbers the club is generally not overcrowded.

Rhonda also reviewed the Homeowner Family Membership which has the special privileges of including family members up and down the direct family line; grandparents, parents, children, and grandchildren, plus a discount booklet that includes 10 free guest passes. She also reminded everyone that the 10 punch cards are now available exclusively to homeowners for only $200. She noted that Club membership cards are used to control access to the Club and please stop at the front desk to have a card made if needed.

Finance Committee Report
The Finance Committee Chairperson, Greg Grotke, reported that the committee oversees the budgeting process and works with Mr. Ivy and Mr. Russell on several drafts before presenting the budget to the Board for approval. He said the fiscal year begins June 1st and ends May 31st and reviewed that the planning and budgeting process changed drastically after the March 2020 COVID shut down. He said they were expecting more of a transitional year in FY2022 and budgeted somewhat conservatively so they were very pleased to see the increased amount of business and financial results. Greg said that the budgeting process for the current year was more back to normal and expects the 10-year capital funding and budget should be back to normal going forward.

Updates; Management Transition
Our General Manager, Matt Ivy, has informed the Board of his plans to retire after his many years of service. Fortunately, he has provided generous notice and will continue working full-time until later this year. The Board and Matt have discussed having him continue to work for the Association on a part-time basis after a new General Manager has been named to assist with the onboarding process. Matt has been with us since 1993 and his knowledge and experience are invaluable as we work toward a seamless and cohesive management transition.

The Board will be moving forward with posting the position both internally and externally and will interview qualified candidates with the intention of hiring a new manager who can be fully onboarded by Matt. The Board is committed to finding a replacement that is well qualified and dedicated to the betterment of the Vail Racquet Club Mountain Resort and run our operations

in a professional and service-oriented manner. We will keep you updated throughout this process.

Homeowner Survey – Please participate
The Annual Meeting provided an opportunity for homeowners to send in questions and this year there were over 30 questions submitted, so please read the draft minutes when they are sent out next month for your review.

Good news! There is another chance for you to provide important feedback; the Annual Homeowner Survey will be sent out in the next few days. The Board is very interested in your feedback, so please take a few minutes to voice your opinions and let us know your thoughts on a number of topics.

Homeowner Social
Please join your VRC neighbors tomorrow, Friday September 9th from 3:00 to 5:00 PM for a homeowner get together at the BBQ area by the park. It will be a great time to relax and enjoy some food, beverages, and good conversation. Please RSVP to Craig@vrcmr.com if you can make it. We hope to see you there!

Again, thank you to all owners who participated in the meeting and helped achieve a quorum which made our Annual Homeowner Meeting a success.

Sincerely,

Fred Bradford
President

Vail Racquet Club

The Old Muddy Gazette

Back to School!

September 2022

VRC Class Update September

Pilates Mat

Tuesday's @ 5:30pm (Malin)
Friday's @ 9:00am (Malin)

Masters Swim

Monday's—Wednesday's– Friday's @ 6:30am

Yoga

Tuesday's @ 12:00pm (Betsy)
Wednesday's & Sunday's @ 5:30pm (Joey)

Please check the schedule online at Vailraquetclub.com

ANNUAL HOMEOWNER SOCIAL

Friday, September 9th
3:00 to 5:00 PM

Please join us at the BBQ patio area by the VRC park.
As always, it is a great time for owners and staff to relax, and enjoy some good conversation, food, and beverages with one another
We look forward to seeing you all!

RSVP to craig@vrcmr.com

TENNIS & PICKLEBALL

PRIVATE & GROUP LESSONS ARE STILL AVAILABLE THROUGH SEPTEMBER!
Call Greg Wanner @ (970)390-3823

Club Update

Exciting News, New Hot Tubs Coming Soon!

The replacement of the adult hot tub with two new hot tubs and refurbishment of the area is currently underway. The old hot tub is the last original club amenity and this update will be a welcome improvement that should provide much enjoyment for years to come.

Vail Racquet Club

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 accept personal responsibility for my safety and welfare

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

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 or any other illness.

To protect myself and others, I understand that a Face Covering is recommended while using any indoor facilities.

I understand that maintaining at least 6 feet of social distancing is a best practice

I will practice good hygiene and wash my hands before and after facility use, and after using the restroom

I will be respectful and considerate of others who are using the Club