

**Minutes of the
Bachelor Gulch Village Association
Board of Directors Meeting held
July 10, 2018**

A meeting of the Bachelor Gulch Village Association (the “Association”) Board of Directors was held on July 10, 2018. In attendance were Board members Beth Howard, Brian Kushner, George Bigley, and Gary Shimanowitz. In attendance by phone were Lisa Mayers, Attorney for the Association and Paul Gorbald, Sr. Manager of Transportation. Also in attendance were Tim Baker, Association Manager, Jerry Hensel, Director of Base Area Operations, Steve Janicek, General Manager of The Ritz-Carlton, and Carol Floyd, Secretary to the Meeting. The meeting was called to order at 1:01 p.m., and it was noted a quorum was present. Introductions were made.

Minutes

Brian Kushner moved to approve the March 29, 2018 meeting minutes as presented. The motion was seconded by George Bigley and unanimously approved.

Design Review

Tim Baker gave an update on Design Review Board current activity stating there are a couple sketch plans in the pipeline, and a number of remodels in progress. He said this reinvestment into properties is very positive. Discussion took place in regard to the violation for tree removal at 256 Tall Timber.

Public Safety

Tim Baker said fire prevention has been the primary focus this summer, noting the community has been fully cooperating with the restrictions in place. Brian Kushner spoke about receiving calls from Bachelor Gulch Public Safety on two occasions pertaining to his recycling being out past 7:00 p.m. on Friday. Jerry Hensel agreed to speak with the Waste Management representative to request an earlier pick-up of trash and recycling community wide.

Financial Update

Tim Baker reviewed the financials as of May 31, 2018. Real Estate Transfer Assessments (“RETA”) continue to be fairly strong at \$1.488m on a budget of \$2.242m. To meet budget, another \$32m in gross sales is needed. He estimated RETA to be \$1.6 at the end of June. Brian Kushner shared feedback from local realtors that there are fewer than normal people looking at property, and advised this may be a risk item for consideration in the next budget. Brian stated Bachelor Gulch is at an all-time low for inventory and Timbers is at an all-time high. Tim Baker will update and provide financials on a monthly basis along with pending sales. Tim noted a timing issue causing an overage in Civic Assessments year to date and further noted this line item is expected to end the year on budget. He reported \$5K - \$7K in incremental assessments have been collected through the Host Compliance initiative. Steve Janicek commented that occupancy at The Ritz-Carlton (the “Ritz”) was strong in May and June, and has softened in July. Remarks were made that the perception of fire danger may have an effect on real estate sales and visitation. Tim informed the Board, if pending sales at the end of July indicate RETA may come in under budget at year end, there are a couple capital projects that could be halted to ensure the bottom line is met. Tim reported on expenses year to date. \$20K in labor savings is forecasted for Public Safety due to open positions that have been challenging to fill. \$25K in Legal and Professional Services has been added for the energy research project. Tim said most expenses are set in accordance with service contracts. Tim noted most capital projects will commence in early summer or fall, and those actuals will be reflected in the June through August financials. \$1.5m was contributed to Bachelor Gulch Metro District early in the fiscal year. Tim said it is unlikely the entire \$175K budgeted for the gates and camera system project will be spent. He gave an update on the trail construction between Arrowhead and Bachelor Gulch. Approximately one mile of the trail has been completed. The Association will contribute \$10K to Arrowhead at Vail Association for construction of a connector trail to the Village-to-Village trail when it is completed. Brian Kushner complimented the landscape beautification at the welcome gate. A suggestion was made to consider negotiating a bulk contract with the landscape contractor for all associations and commercial property within Bachelor Gulch. Gary Shimanowitz spoke about skinning the lift terminal. He explained the Lift Maintenance Director is inquiring with Doppelmayer as to whether the terminal design can bear weight of 2 x 12 timbers and chinking or other options to consider.

Village Connect Update

Tim Baker informed the Board, Village Transportation is in the process of rolling out the Village Connect program. It is currently operating live in the background. Dispatch enters each request into the app and specific wait times are generated. Tim said the system is sophisticated and becomes smarter as more geographic information is input. The next step will be to launch the guest-facing app in a soft manner to select members of the community. In the fall there will be a marketing campaign with instructions of use, branding and naming, to broaden awareness. The system, as designed, does not have the capability to accept reservations. The intent will be to add this capability in the future. The issue of GPS errors was raised. Paul explained Downtowner is building a layer off of Google Maps, referencing GPS coordinates with a colloquial address that will populate into the view of the user. Brian Kushner suggested making this information available to E911.

Chair 16 Operation Funding Request

Steve Janicek spoke about a partnership with Vail Resorts to operate Chair 16 from 9:30 am to 4:30 pm, for all guests and visitors in Bachelor Gulch on July 14th, one date in August, and Saturday and Sunday of Labor Day weekend. Mammies will offer BBQ at the top and there will be entertainment from 11:00 am to 3:00 pm. Steve described it as an activation of Bachelor Gulch with the possibility of leading to a more long-term summer campaign in years to come. Beth Howard explained the dates for this pilot program were chosen based upon the elk closure in effect until June 30th and subsequent lift maintenance. She said the expense is at cost for lift mechanics, EMTs, and lift operators to operate the lift. She further noted a capital investment was made last year to increase the download capacity of this lift. Because it will be open to the entire community, Steve asked the Association to share in the cost of operations with the Ritz and Bachelor Gulch Marketing Association by contributing 50%, a total of \$5,000 for the four events.

Brian Kushner moved to approve a contribution of \$5,000 toward four summer mountaintop events including chairlift operation at Bachelor Gulch. Gary Shimanowitz seconded the motion and it was unanimously approved.

Ritz Pool Deck Design Proposal

Tim Baker continued the conversation from the last Board meeting in regard to utilization of the Ritz pool and deck. He recently met on site with two design firms for ideas to create more space with temporary structures. He received a proposal in the amount of \$4,800 for ideation sketch work, and confirmed it would be the property of the Association upon payment. Gary Shimanowitz reiterated anything permanent would not be feasible due to interference with winter operations.

Motion was made by Beth Howard for the approval of entering into a contractual agreement with Norris Design for ideation consultation, not to exceed \$4,800. Brian Kushner seconded the motion and it was unanimously approved.

Bachelor Gulch Utility Investigation Update

Tim Baker updated the Board on the utility investigation being conducted by Jim Tarpey on behalf of the Association. Mr. Tarpey has met with the Public Utilities Commission (“PUC”) staff. Bachelor Gulch is unique because there are two operators next to each other operating under different cost structures, operating systems, and means of transmission of gas. Tim clarified the gas component price is set and the same for all, whereby the cost of transmission varies. Transmission will be a focus in the investigation. Further discussion took place in regard to opportunities for negotiation with Black Hills. A written analysis of recommendations from Mr. Tarpey is expected in the next couple weeks. Upon receipt of those recommendations, Tim advised a special Board meeting may be necessary.

Comcast Bulk Service Proposal

Tim Baker explained the Comcast bulk service agreement is a commitment by the Association on behalf of the 112 single-family lots. The Association would be responsible for the cost of service for all 112 residential lots, a total of \$115K - \$120K. The Association would then have to determine how to recoup those expenses. Each individual lot

would have a service agreement with Comcast to establish if they elect to have any charges above the base service. Lisa Mayers has advised, according to the Declaration, the Association has the right to enter into service contracts and collect assessments for reimbursement. It was noted this would require administrative support to bill on an annual basis. George Bigley raised the question of how the Association would manage the expense of those that decline Comcast service. Brian Kushner suggested the possibility of adding a small increment on the Bachelor Gulch Metro District (“BGMD”) tax bill to cover Bachelor Gulch services, similar to how trash collection is paid. Brian agreed to discuss this matter with BGMD.

Tennis Program Update

Tim Baker announced that Cliff Drysdale has been purchased by Troon.

There being no other business, Brian Kushner moved to adjourn the meeting. George Bigley seconded the motion and the meeting was adjourned at 2:11 p.m.

Respectfully submitted,

Carol Floyd, Secretary to the Meeting