

RED SKY RANCH ASSOCIATION
Board of Directors Meeting
April 8, 2024
via videoconference

A regular meeting of the Red Sky Ranch Association (“the Association”) Board of Directors was held on April 8, 2024, via videoconference. Board members in attendance were Bill Simon, Marcella Barry, Scott Wylie, and Dennis Grindinger. Also in attendance were Lee Hoover, Association Manager; Dana Miller, Financial Analyst; Ramsey Romanin, Ranch Manager; Jerry Hensel, Director of Resort Operations; and Carol Floyd, Secretary for the Meeting. Bill Simon called the meeting to order at 4:00 p.m. Lee Hoover verified the presence of a quorum and that proper notice had been provided.

Approval of the February 19, 2024, Board of Director Meeting Minutes

Dennis Grindinger moved to approve the February 19, 2024, Board of Director Meeting Minutes contingent upon verification of prohibited roofing materials. Marcella Barry seconded the motion and it was unanimously approved.

Financials

Dana Miller reviewed the first quarter financials as of March 31, 2024. \$1.6M in assets are in First Western Trust FDIC-insured sweep accounts earning a little over 2% interest. Marcella Barry is working with Vanguard to transfer funds for a bigger return on investment. \$25,900 in owner receivables are owners who are outstanding on their annual assessment. Dana said she billed late fees in March and has spoken with two owners who will be sending payment for a total of seven lots. Liabilities are assessments that are billed annually and recognized as revenue monthly over the year. Equity includes \$144K in the improvement reserve and retained earnings of \$1.1M brought in from the prior year. Through the first quarter of 2024, expenses exceeded revenue by \$26K because of how assessments are spread evenly in the budget. The Income Statement shows revenue \$145K favorable to budget. The main driver is real estate transfer assessments (“RETA”). Dana noted RETA is budgeted for the summer and fall months which is typically when properties are sold. One residence sold for \$8.4M in the first quarter bringing in \$144K, exceeding the 2024 budget of \$100K. Two residences and three lots are currently for sale. Expenses are in line with budget. The one variance is \$135K spent in Legal on a budget of \$100K, with most paid to Red Sky Metro District. The operating deficit through March is \$26K which is favorable to the budgeted operating deficit by \$114K. The only activity in Improvements prior to summer is a payment of \$20K for wildfire mitigation.

Ranch Manager Update

Ramsey Romanin reported camera surveillance signs have been mounted at all east-side gates and the main entrance. He asked for the Board’s direction regarding where to place the remaining three signs and whether to add simulated cameras at those locations. The Board deferred to Ramsey. Issues with the Lost Bear gate intermittently opening and not synching continue. The technician has advised pulling new wiring when the weather allows. Off-season Welcome Gate hours are currently 7:00 a.m. to 7:00 p.m. Monday through Friday and 8:00 a.m. to 6:00 p.m. Saturday and Sunday. Martin O’Keefe will begin fence repair on the lower Fazio course in late April or early May. Wildfire mitigation has been completed on all smaller parcels. As of March 22nd, fire mitigation work was stopped due to wet conditions and the potential for ground damage. A night light audit was completed on March 5th and findings were relayed to Jerry Hensel and the electrician that Holland Creek Metro District (“HCMD”) uses for repair before May. Ramsey sent an email to the community regarding dog etiquette on February 22nd. He intends to send another email before June to revisit the topic. Jouflas is planning to bring in 350 head of cattle in May. The herd will be split between the south and west sides of Red Sky Ranch. In the past, cattle have made their way onto the golf course from the south side. Ramsey will watch this area closely. With regard to capital improvements, trail trees will be addressed near the trail bridge located north of the Hole 15 Fazio restrooms. The gate at the end of Red Sky Ranch Road is scheduled to be replaced by J.A. Fabricating in mid-May. The ATV is expected to be serviced in May.

Short-term Rentals

Ramsey spoke about a property owner who has expressed interest in renting their property short-term in the summer. Bill Simon stated there are no restrictions to prevent short-term rentals in the governing documents. An amendment of the Declaration would be required. Meg Welsh joined the call. Meg advised the Board has a broad

authority to adopt rules and policies for the general well-being of the members. She said a policy may be an effective approach for regulating short-term rentals. Meg noted the enforcement policy is restrictive. She added other associations have modeled their policies after the Town of Vail requiring a license and a property owner or manager to be available within a 60-minute distance. Dennis Grindinger pointed out that Red Sky Ranch is different than many communities in the area and may not need such a policy. Bill Simon suggested adopting a recommendation of a one-month or greater timeframe for rentals. Meg offered to review the Board's position statement once drafted.

Holland Creek Metro District

Jerry Hensel reported the golf course maintenance team will begin cinder cleanup on April 15th for two weeks. Following cinder cleanup, a street sweeper will be brought in to sweep all roads. Trees will be trimmed along the roadway where needed. Dennis Grindinger asked Jerry to look at the trees on the south side of Red Sky Road just past where the cart path crosses between the clubhouse and Hole 10. Bill spoke about vegetation encroaching on the sidewalks along Juniper and Wildflower and requested Jerry arrange for edging those. Street markers will be straightened or replaced. Frontier Painting is scheduled to begin paving the first week in May for completion by Memorial Day. All lamp posts and address markers will be stained this summer. A second plow truck has been received and equipped with sanders and spreaders.

Red Sky Metro District

Bill Simon gave a brief update on the ongoing litigation between Vail Resorts and Red Sky Metro District ("RSMD"). The interlocutory appeal has been filed and will require a 12 to 18-month waiting period. This will keep legal costs down for 2024. Bill noted the judge who initially ruled against RSMD is no longer involved in the case. RSMD is engaged with the underwriters to float new debt of \$7M to \$8M in the fourth quarter. This will likely result in a property tax increase in 2025.

There being no further business, Dennis Grindinger moved to adjourn the meeting. Marcella Barry seconded the motion and the meeting was adjourned at 4:38 p.m.

Respectfully submitted,

Carol Floyd
Secretary for the Meeting