

RED SKY RANCH ASSOCIATION
Board of Directors Meeting
April 12, 2021
via Videoconference

A regular meeting of the Red Sky Ranch Association (“the Association”) Board of Directors was held on April 12, 2021, via videoconference. Board members in attendance were Eric Kurzweil, Marcella Barry, and Bill Simon. Also in attendance were Mike Trueblood, Association Manager; Ramsey Romanin, Ranch Manager; Ryan Wolffe, Senior Analyst for Design Review Administration; Dana Miller, Senior Financial Analyst; Chris Burns, Senior Manager of Beaver Creek Building Maintenance; and Carol Floyd, Secretary for the Meeting. The meeting was called to order at 4:05 p.m. Eric Kurzweil confirmed a quorum was present and Mike Trueblood confirmed proper meeting notice was provided.

Approval of Meeting Minutes

Bill Simon moved to approve the February 8, 2021 Board of Director Meeting Minutes as presented. Marcella Barry seconded the motion and it was unanimously approved.

Design Review Administration

Ryan Wolffe reported since the last Association meeting the Design Review Board has approved three remodel addition projects. 175 Setting Sun Lane and 160 Wildflower Place have received final plan approval for new residences and have submitted their final working drawings. 122 Saddle Rock Lane and 1629 Red Sky Road had conceptual reviews for new residences. 192 Juniper Trail and 1571 Red Sky Road received sketch plan approval for new residences. At the upcoming DRB meeting, 1571 Red Sky Road is on the April agenda for final plan review and 25 Juniper Trail is on the agenda for a conceptual review. Bill Simon asked the status of 214 Juniper Trail. Ryan said this property came in for conceptual review in January and DRB has not received anything further. In total, since January 1st, there are eight new residences that are being designed or have been approved. Mike Trueblood asked if there is an estimated timeframe for completion of the eight new residences. Ryan replied that the homes vary in size and complexity. An average home in this area takes 12 – 16 months to complete. Estimated completion dates are provided during preconstruction meetings. Ryan will send this information for the properties that have held preconstruction meetings. Mike commented that the addition of new properties could have an impact on valuation assumptions and may spur discussions between Vail Resorts and Red Sky Metro District regarding long-term financing and the water lease agreement.

Follow-up Items

Policy for Nomination, Planning, and Board Succession:

The Board voted unanimously in favor of adopting the policy regarding the qualification and nomination of Directors as presented.

Financials

Mike Trueblood introduced Dana Miller who has joined the team to support Association and Village Operations finances and accounting. She is a longtime Vail Resorts employee and has spent 20 years in the Homeowner Accounting department. Mike reviewed the Balance Sheet as of February 28, 2021. There is currently \$365K in checking because of favorable real estate transfer assessments (“RETA”). Following the meeting, Mike and Dana will coordinate with Marcella Barry to transfer funds into Money Market accounts and additional CDs. The bank accounts will be earmarked for improvement reserves and operating reserves. Dana explained RETA Receivable represents some transfer assessments from December, January and February that were deposited into a Vail Resorts bank account and are in the process of being transferred to the Association’s account. This will increase the cash balance by \$299K. Accounts Receivable shows outstanding annual assessments. Dana noted a large variance in Accounts Receivable from last year and is looking into the change in this year’s billing process. Mike referenced the Income Statement noting revenue year to date in the amount of \$150,276. RETA revenue has been forecasted at \$300K for the year vs. the budget of \$133K. Expenses are in line with budget.

Reserve Study: Mike Trueblood presented a proposed draft reserve schedule starting in 2021 and running through 2031. The schedule incorporates some topics discussed previously. The intent is to identify projects the Association should be including in a reserve to account for future financial liabilities. Marcella Barry asked if gatehouse improvement expenses are shared with Vail Resorts. Mike answered, in accordance with the gatehouse agreement, the Association has responsibility for roof and other structural replacements. Eric Kurzweil pointed out some of the items on the schedule for 2021 were included in the Association's 2021 budget. He questioned if gates would be the responsibility of Holland Creek Metro District. Mike will double check this item and the responsibility for the Maintenance Facility. Fence staining will be reclassified to an operating expense. Mike talked about the Board's options related to items proposed for 2021. The Board may move forward, defer, or remove any item(s) from the schedule. Eric recalled a policy put in place several years ago in regard to allocation of funds for reserves and operating expenses. Mike agreed to research this. Replacement of the Association's ATV was discussed. Ramsey Romanin said the current ATV was purchased used in 2005 as an improvement item. Eric asked about insurance coverage for the ATV. Mike will confirm details of the ATV insurance cost. Marcella Barry asked about the gatehouse roof condition and whether it is likely to last nine years until its scheduled replacement. Ramsey said it appears to be in good condition. Mike added that Jerry Hensel has inspected the roof and recommended this timeframe. It was noted that shake shingles will be required and the reserve schedule plans for use of Davinci shingles.

Holland Creek Metro District Update:

Mike Trueblood informed the Board Holland Creek Metro District will begin their paving project soon with the goal of completion by Memorial Day.

Other Business:

Property Owners Directory: Carol Floyd proposed creating a property owners' directory. Inclusion would be optional. She would send a form to all property owners by mail and email to request contact information. The information collected would be consolidated and distributed to all property owners.

Bill Simon moved to authorize distributing an updated property owners' directory to all members. Eric Kurzweil seconded the motion and it was unanimously approved.

Ranch Manager Update:

Ramsey Romanin reported 49 remotes for entry gate access have been sold and five are available. As people are moving onto property, most are opting for remotes over bar codes. The Lost Bear exit lane gate failure reported in the last meeting was caused by a bad control board and loop detector. Both were replaced and are functioning. The Lakeside camera and Staghorn camera network switch failed and have been replaced. Current operating hours for the Welcome Center are Monday through Friday, 7:00 a.m. to 7:00 p.m., and Saturday and Sunday 8:00 a.m. to 6:00 p.m. Steve Davidson will begin helping with fence repair the week of April 19th. Part-time staff will fill one shift per week at the gatehouse through May. Jouflas intends to bring in cattle in June. The community is currently 33% occupied. Ramsey provided a new homeowner orientation for the new owners of 246 Aspen Bluff who plan to reside in Red Sky Ranch full time in a couple of years. 100 four-inch in diameter rails have been purchased for the Association fence replacement. Ramsey noted 200 three-inch rails were budgeted. No supplier has the three inch rails normally used due to COVID and last summer's wildfires. The current stock of 20 three-inch rails will be used in visible areas. Ramsey said the four-inch rails may hold up better to impacts from elk. Depending on durability, the three-inch rails may be replaced with four-inch rails in the future. Ramsey received one bid to upgrade the entry gates similar to Mountain Star. The cost to upgrade all gates with a 10" color touchscreen call box and RFID entry system would be just over \$60K. Ramsey announced a remote wildfire meeting tentatively scheduled with Jeff Zechman in early June. He will send a communication to property owners once a date has been finalized. Ramsey spoke about a Wildland Urban Interface flyer that went to Eagle County residents. Eagle River Fire Protection District has put on a challenge for Eagle County residents with the opportunity to win a goodie bag by posting photos on Instagram or Facebook. The first challenge that began last week is to clean leaf and pine needle debris out of gutters and away from homes. The Board was in favor of Ramsey circulating the flyer to property owners. Catamount Spraying will spray the lower elevations for noxious weeds in early June. Eric Kurzweil suggested adding the gate system upgrade to the improvement schedule.

There being no further business, Eric Kurzweil made a motion to adjourn the meeting at 5:18 p.m.

Respectfully submitted,

Carol Floyd, Secretary for the Meeting