

RED SKY RANCH ASSOCIATION
Board of Directors Meeting
June 8, 2020
via Videoconference

A regular meeting of the Red Sky Ranch Association (“the Association”) Board of Directors was held on June 8, 2020 via videoconference. Board members in attendance were Eric Kurzweil, Connie Irons-Malernee, Marcella Barry, and Mac McDonald. Also in attendance were Mike Trueblood, Association Manager, Ramsey Romanin, Ranch Manager, Kevin Hopkins, Financial Analyst, Mark Levy, property owner, 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. He asked for clarification on the meeting notification process.

Approval of Meeting Minutes

Eric Kurzweil moved to approve the April 13, 2020, Board of Director Meeting Minutes as presented. Mac McDonald seconded the motion and it was unanimously approved.

Sales Office Space Update

Mike Trueblood said a Letter of Intent has been sent to Mac McDonald with flexibility on the sales office lease dates and term depending on various protocols. Mac McDonald indicated his intention to open the sales office when the Guest Clubhouse opens.

Design Review

Mike Trueblood reported there were no new applications for May. The second final plan review for Lot 15 and modification to approve plans for Lot 14 will be on the June agenda. Eric Kurzweil asked about follow-up to a question raised in the last Board meeting in regard to the percentage of DRB expense the Association pays. Mike explained he expects to have preliminary 2021 budget information for discussion at the August Board meeting, including a proposal for a potential change in the allocation of DRB expenses across all communities.

Financials

Mike Trueblood reviewed the Income Statement as of April 30, 2020. Revenue is favorable by \$4K, primarily because of DRB fees. No transfer fees were recorded for this period year to date. Mike noted one closing has since taken place in May. In regard to expenses, there was a \$4,254 unfavorable variance for gatehouse operations. Mike said there was a lesser amount budgeted for April and he did not know why the budget was spread this way. For the full-year forecast, this expense is tracking on budget. Mac McDonald noted the closing in May would have generated \$37,200 in real estate transfer assessments (“RETA”). He mentioned there is a second home currently under contract for a comparable amount. Mike added if the second property closes, RETA will exceed budget for the year. Mike introduced Kevin Hopkins who will assume Erin McCauley’s responsibilities. Kevin said he will support RSRA financial operations and transactional tasks, accounting entries and related duties will be conducted in the Broomfield office. Kevin will review the Association financials and prepare the budget and forecasts. Eric Kurzweil asked about the status of outstanding common assessments. Mike said he and Kevin will review to make sure there are no collection issues needing attention. Kevin explained the assessments are billed at the beginning of the year, but from an accounting perspective, it is earned over the entire year. It is held in Accounts Receivable under Advance Billing Dues on the Balance Sheet. An entry is made monthly to reduce the liability by prorating one-twelfth of the annual dues.

Ranch Manager Update

Ramsey Romanin reported 30 homes are currently occupied, and he and Steve Davidson are checking 20 homes per week. Gatehouse hours have not been adjusted for summer, and since the golf course is open, labor is being paid by Vail Resorts, in accordance with the Gatehouse agreement. Lakeside and Arrow gates have been repaved, east side gates are in process, and the others will be done within the week. A new gate code will take effect on June 15th. The trail is open and dry. Catamount Spring will apply a no-grow treatment on Wednesday. Both picnic tables have been refinished. One table has been relocated to the top of the ridge by the Member Clubhouse at the request of one of the members. Ramsey is expecting a free load of wood chips to begin spreading on the trail between the bridges on June 15th. Two trail cameras are operating. In the past two weeks there have been pictures of elk, deer, and coyotes. Fencing is 100% intact. Jouflas currently has 180 cows on their property west of Red Sky Ranch. 2,100 sheep are being moved to the south side of Red Sky Ranch above Red Sky Road today. Ramsey canvassed the property for noxious weeds last week and observed thistles are starting to grow. He recommended proceeding with spraying as

included in the budget. An address light audit will be conducted this week. Any properties with lights that are not operating will be notified via email. Stage 1 fire restrictions were implemented on April 10th and lifted on April 20th. Eric Kurzweil asked if there were any updates on mountain lion activity. Ramsey answered there have been no mountain lion images captured on the cameras for the last month, and he has not seen tracks since the snow melted. No sightings have been reported by the golf course maintenance crews or homeowners. Eric Kurzweil inquired about the status of proposals for a new gate system. Ramsey will obtain two bids and provide a recommendation at the August meeting during the budget discussion. Ramsey stated the original bid of \$35,000 was for the Door King system and would utilize the existing software. Connie Irons-Malerner suggested checking out the Transcore system in use on Joufflas Ranch Road, and Ramsey agreed to look into it.

Review of Rules on RVs

Eric Kurzweil opened up discussion pertaining to who is responsible for enforcement of rules and messaging related to RVs. Ramsey Romanin said Steve Davidson has been briefed on the regulations, and shared his opinion that he and Steve should enforce such regulations without the Board's consent. Eric agreed noting any request for a variance would be appropriate to bring before the Board for consideration.

Holland Creek Metro District ("HCMD")

Road Project: Mike Trueblood informed the Board the road project is substantially complete with a few punch list items remaining. Eric Kurzweil asked why the road project did not continue to the top. Mike answered that a certain number of dollars for a specified section of road is budgeted every year. He will report back on the next planned section of road improvement according to the Reserve Schedule.

HCMD 2019 Audit: Mike Trueblood reported the HCMD 2019 audit has been completed and approved. Mike spoke about conversations he has had with Beth Richie regarding longer-term water rights solutions.

Gatehouse Operations Agreement: Connie Irons-Malerner suggested eliminating the gatehouse attendants when the golf course is not operating. She talked about a gate system that would allow homeowners to let guests in and communicate directions, similar to how the eastern gates operate. If homeowners deem necessary, security could drive through to secure the area each evening. Eric Kurzweil talked about the intended purpose of the gatehouse being to provide a sense of arrival, a level of security, and convenience factors such as deliveries and vendor management. Mark Levy commented on the benefit of having a presence during business hours, and for resort guests going to the resort clubhouse. He spoke in favor of keeping the gatehouse occupied. Mike Trueblood explained that Vail Resorts and the homeowners share the expense of maintenance of the gatehouse, and reimburse HCMD, owner of the gatehouse. Ramsey Romanin stated the package delivery service is greatly utilized between Halloween and Christmas noting when homeowners are not in residence, they are able to check delivery status. When asked if residents have property managers, Ramsey said he has contracts with 48 of the 54 property owners. The Board requested a survey be sent to all property owners on this matter. Mike agreed to facilitate a survey by the end of the week with input from the Board on survey questions. He said he envisions two or three questions with a comment section. Mike noted the Amended and Restated Gatehouse Agreement will expire on July 26, 2020. He talked briefly about proposed changes to the agreement including a five-year term with a five-year auto renewal, dates of May 1 through October 15 where Vail Resorts would be responsible for costs, insurance liability amounts, and clarification of notification requirements. Mike will send the agreement to the Board for review and comments.

Other Business

Mac McDonald talked about a recent incident of a hang glider flying over homes and close to the golf course. Ramsey Romanin was informed the police do not regulate hang gliders. Mike Trueblood opened a case with the FAA and an investigation is underway. Mike will report back to the board with updates.

Connie Irons-Malerner inquired about opening of the golf course and tennis courts. Mark Levy informed her of an upcoming Golf Club Advisory Committee Meeting where such decisions will most likely be made. Mike Trueblood will forward Connie's questions to Mark to share with the Committee.

There being no further business, Eric Kurzweil moved to adjourn the meeting. The meeting was adjourned at 5:29 p.m.

Respectfully submitted,
Carol Floyd, Secretary for the Meeting