

RED SKY RANCH ASSOCIATION
Annual Member Meeting Minutes
December 16, 2020
via Videoconference

The 2020 Annual Member Meeting of Red Sky Ranch Association (the “Association”) was held virtually on December 16, 2020. Board members present were Eric Kurzweil, Mac McDonald, Marcella Barry, and Scott Wylie. Also in attendance were Dennis Grindinger and Bill Simon, Board candidates, Greg Perkins, Legal Counsel for the Association, Mike Trueblood, Association Manager, Ramsey Romanin, Ranch Manager, Ryan Wolffe with Design Review Administration, Jeff Hanson, Director of Golf Operations, Phil Metz, Sr. Director of Signature Clubs, Ken Marchetti with Marchetti & Weaver, Carol Floyd, Secretary to the Meeting, and a number of property owners.

Call to Order

The meeting was called to order at 10:04 a.m.

Verification of Proper Notice and Quorum

Greg Perkins confirmed proper notice was given and that proxies received exceeded the quorum requirement. Anyone in attendance who did not submit a proxy would be in addition.

Introductions

Eric Kurzweil introduced the Association Board members.

Association Description and Election of Directors

Greg Perkins explained the election was conducted through an online service this year. Carol Floyd described the process, noting a good response rate of over 50%. Greg explained the Association is one governing body along with the metro districts which handle different functions. The Association is a nonprofit corporation formed under Colorado law that all homeowners are members of with ownership of property in Red Sky Ranch. The Association is governed by a Board of Directors who make decisions and act on behalf of the Association. Property owners participate directly through the election of Directors, and voting on amendments to the Declaration. Greg requested anyone who has not submitted a ballot and would like to email Carol Floyd before the 10:30 a.m. election deadline.

Community Update

Mike Trueblood said the Board will have met six times in 2020, including today’s annual Board meeting, noting meeting minutes may be found at redskyranchassociation.com. He said one of the first items on the Board’s 2021 agenda will be to formalize a nominating policy for Board positions. Mike reported an amendment to Section 8.2 of the Declaration was completed in February 2020. He explained this prohibits combination of lots, noting the Board shall have the authority to approve a waiver to this amendment if the combination would have a favorable benefit to substantially all owners within the Association as a whole. Mike spoke about several mountain lion sightings in 2019 and one resident’s pet that was killed by a mountain lion. Quite a bit of work has been done to raise the issue with Colorado Parks and Wildlife (“CPW”) into the spring of 2020. There have been fewer sightings in 2020, and all were reported to CPW. The Association participated in recommending a new management plan for CPW in this area which will take effect in November 2021, providing more flexibility to manage the mountain lion population during hunting season.

Financial Update

Mike Trueblood reviewed the financials for 2020, noting the highlight being real estate sales were the highest since 2010, on track to reach approximately \$26M. Real estate transfer assessments (“RETA”) are expected to be \$500K vs. the forecast of \$267K. With revenue of \$318K from common assessments, total revenue is anticipated to be just over \$800K at year end. This will be an opportunity to establish good reserves for a future period. Budget assumptions for 2021 revenue are more conservative, and in line with historical averages, with \$134K in RETA and common assessments staying flat at \$318K. 2020 expenses are forecasted to come in at \$334K vs. a budget of \$361K. Savings are attributed to slightly favorable variances for noxious weed spraying, homeowner marketing, and legal expenses. The assumed operating expense for next year is \$354K with increases to entry and roadway landscaping, noxious weed spraying, and marketing. There will be some offset to those expenses from Design Review Board (“DRB”) expense. Mike explained DRB expenses were analyzed across all communities they serve, and recalibrated in accordance with respective activity. In capital improvements, \$5K is budgeted for trail work and fence maintenance. Steve Stroker asked about the Ranch Manager salary decrease. Mike explained because Ramsey is a Vail Resorts employee, his salary was impacted from March through October. Mr. Stroker suggested the Association compensate Ramsey for his lost wages, retroactively, and Eric Kurzweil replied that this is under

consideration. Connie Malernee expressed her opinion that the Ranch Manager vehicle should be upgraded. Mike explained it is a Vail Resorts vehicle, and the Association pays a \$5K vehicle usage fee per year. He said it could be considered in the capital budget for future periods. She raised a question regarding the gatehouse response to wildlife sightings. Mike answered that Ramsey is quite responsive in regard to taking photos and reporting such sightings to CPW. He clarified if there is an emergency, RSRA staff will make a 911 call. While Gatehouse staff can be first to assist when it is not an emergency, they have not been trained, nor are they expected to be first responders in emergency situations.

Real Estate and Marketing Update

Mac McDonald reported there were eight home sales in 2020 with another two currently under contract. There is one active listing at \$5.995M. Mac added that six lots have been sold totaling \$2M, bringing total real estate sales to \$28M. There is one lot sale pending, and nine active lot listings ranging from \$289K to \$1.2M.

Eric Kurzweil announced Mac McDonald will step down from his Board role at the end of the year. Eric thanked Mac for his partnership and, on behalf of the community, for all of his hard work.

Ranch Manager Updates

Ramsey Romanin informed members of an upgrade installed at all gates, providing remote control access. 35 remotes have been sold, and can be purchased through Ramsey. Gatehouse staff person Eileen Gauger has gone from full time to part time status at the gatehouse. Current gatehouse hours are 7:00 am to 7:00 pm, Monday through Friday, and 8:00 am to 6:00 pm, Saturday and Sunday. Trish French and Steve Davidson are each working 40 hours per week. 200 fence rail replacements will be ordered in the spring. The Bellyache fence will be stained this summer. New wood chips were laid on the trail from Elk Bugle to the south bridges near the top of Bellyache. The next section of trail to be chipped will be parallel to Bellyache from the south bridges to the Welcome Center and toward the end of Lark Sparrow. One picnic table was relocated from near the Member Clubhouse to the top of the ridge that overlooks the clubhouse. Ramsey has communicated in regard to the RV regulation, as needed, which allows one single overnight period every seven days. Noxious weeds are being eradicated more each year. Catamount Spraying targets Canadian thistle, milk thistle, and sweet clover. The package program and online log continue to be a success. Ramsey asked that any packages be addressed to 0038 Red Sky Road, Wolcott, CO 81655. He encouraged the use of low temperature sensors to avoid broken pipes. Ramsey said he plans to coordinate a speaker to address property owners regarding fire mitigation. He further noted the mountain lion harvest will increase from 21 to 33 within the Glenwood Springs special management area including Red Sky Ranch. An additional season was added from April 1 – 30. The management plan is proposed for ten years and will be assessed in five years.

Design Review Update

Ryan Wolfe reported there were 38 applications this year including the completion of the home on Lot 14. The Design Review Board (“DRB”) has reviewed applications for three additional new homes on lots 15, 34, and 79. Five applications were for tree removal related to fire mitigation, and six were remodel projects. With the current level of real estate sales, DRB is anticipating a significant increase in activity.

Golf Update

Eric Kurzweil introduced Phil Metz, Sr. Director of Signature Clubs. Phil gave a brief overview of his background. He has been with Vail Resorts for nine years overseeing large regions of strategic marketing, beginning his current role a few days prior to the meeting. He spoke about his passion for the Valley and Red Sky Ranch. He will be working with Jeff Hanson and Todd James to develop a strategic plan for going forward, with input from homeowners and the Advisory Board. Jeff Hanson recognized the grounds maintenance team for delivering wonderful course conditions during the drought. Golf Week Magazine ranked the Fazio course 79th and the Norman course 144th out approximately 17,000 courses in the US. Golf Digest ranked both courses in the top 100. Nearly 10,000 rounds were played this year. There were 11 membership sales in FY20, and have been nine new memberships in FY21 beginning August 1. Jeff said capital requests have been submitted, and he expects to receive a decision soon.

Metro District Update

Beth Richey stated the mill levy rate will remain at 59 mills for 2021. Sales tax revenue through October totals \$102K, a 14% decrease from the previous year, believed to be primarily due to lower activity at the Golf Course restaurant and retail sales at the pro shop. Beth said there will be an asphalt overlay of Aspen Bluff in May, weather permitting.

Q & A

Mark Bromberg asked if there would be an opportunity for the Board to investigate making the tennis amenity available to property owners who are not club members. Jeff Hanson answered the tennis courts are currently not available unless you

are a member or social member. The social membership includes everything except golf. Eric Kurzweil said the Board will follow up with Phil Metz and Jeff on this matter.

Steve Stroker made a request to reopen the workout facility with limited capacity. Jeff Hanson said an operating plan is under consideration by Todd James and Phil Metz. Phil added there are standard operating procedures that must be optimized for Red Sky Ranch.

Suzette Hearn spoke about outages creating access issues at the east side gate. She suggested the Board consider budgeting for a complete replacement, noting the call system is 20 years old and antiquated. Eric Kurzweil explained the Board has looked at the gate operability a few times. Ramsey Romanin said the remotes were put in place to provide easier access, and that 95% of homeowners on the east side have been satisfied. Ramsey said he proposed two bids for upgrading the gate, and the Board chose to go with remotes rather than installing a new system. Suzette talked about an incident where her remote was stolen and the inefficiency of all other remotes having to be reprogrammed. She further mentioned that the keyboard freezes and is inoperable after a snowstorm. Eric said he will have the Board reevaluate the east gate system. Bill Simon asked if the opener can be paired with a vehicle's remote pad. Ramsey answered that this is a generally available option, but can depend on the make and model of vehicle.

Election Results

Greg Perkins announced, based on information received by email from Carol Floyd during the meeting confirming the online results, Dennis Grindinger and Bill Simon have been elected to the Board. Minutes of last year's Annual Meeting have been approved.

There being no further business, the meeting was adjourned at 11:19 a.m.

Respectfully submitted,

Carol Floyd
Secretary for the Meeting