



RED SKY RANCH™

TABLE OF CONTENTS

I.	Annual Meeting Notice	1
II.	2022 Annual Meeting Minutes	2-4
III.	FY 2024 Proposed Budget	5
IV.	Candidate Bios	6
V.	Ballot/Proxy	7



RED SKY RANCH™

November 22, 2023

Dear Red Sky Ranch Association Member:

When you purchased property in Red Sky Ranch, you became a member of the Red Sky Ranch Association (the "Association"). The Association enforces protective covenants and provides design review, construction compliance, caretaker services, gate operations, common area maintenance, and recreation and landscape improvements. The 2023 Annual Meeting of Members of the Association will be held on **Thursday, December 21, 2023, at 10:00 a.m. MST**, at the Red Sky Golf Club Member Clubhouse or by conference call 855-378-8822, code: 407245130#, for the following purposes:

1. To elect three (3) Directors to the Board;
2. To vote on the 2022 Annual Meeting Minutes;
3. To review and consider the Board adopted budget for fiscal year 2024; and
4. To transact other business as may properly come before the meeting.

The close of business on November 15, 2023 is fixed as the record date for the determination of the Members entitled to notice of and to vote at the meeting. Enclosed please find a proxy form, 2022 Annual Meeting minutes, a copy of the fiscal year 2023 summary financial status report and the summary of the proposed fiscal year 2024 budget. **All Members are encouraged to complete and return the proxy form in advance of the meeting.**

IMPORTANT NOTE: To aid in achieving a quorum, the Association is offering an option to vote online by way of directed proxy. Members who have provided an email address will receive a registration code and link to the voting website containing the directed proxy form. Alternatively, the enclosed directed proxy form may be returned by email, fax, or US Mail as provided in the directed proxy form. Any Member who wishes to vote online and does not receive an email notice may contact Carol Floyd at cfloyd@vailresorts.com or (970) 754-6905. **The deadline for online voting is Thursday, December 21, 2023, at 8:00 a.m. MST.**

We look forward to seeing you at the Annual Meeting.

Sincerely,
RED SKY RANCH ASSOCIATION

Lee Hoover
Association Manager

Enclosures

RED SKY RANCH ASSOCIATION
Annual Member Meeting Minutes
December 19, 2022
Red Sky Golf Club Member Clubhouse

The 2022 Annual Member Meeting of Red Sky Ranch Association (the “Association”) was held at the Red Sky Golf Club Member Clubhouse on December 19, 2022, and by conference call. Board members present were Eric Kurzweil, Marcella Barry, Bill Simon, Dennis Grindinger and Scott Wylie. Also in attendance were Greg Perkins, Legal Counsel for the Association; Lee Hoover, Association Manager; Dana Miller, Financial Analyst; Ramsey Romanin, Ranch Manager; Andrew Hedrick, Director of Golf Operations; Steve Nusbaum, Sr. Manager of Design Review Administration; Chris Burns, Sr. Manager of Beaver Creek Mountain Services; Jerry Hensel, Director of Base Area Operations; 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 10:00 a.m.

Introductions

Eric Kurzweil introduced himself and fellow Board members, Marcella Barry, Bill Simon, Dennis Grindinger, and Scott Wylie.

Verification of Proper Notice and Quorum

Greg Perkins confirmed proper notice was given for the meeting, and that a quorum was achieved by virtue of virtual proxies submitted.

Election Results and Approval of 2021 Annual Meeting Minutes

Greg Perkins announced Scott Wylie has been reelected to the Board of Directors by electronic ballots that were submitted. He confirmed the 2021 Annual Meeting Minutes were also approved via the electronic voting platform. Greg offered anyone present who had not voted the opportunity to do so.

Golf Update

Andrew Hedrick stated the golf course closed October 9th. The Club will open May 12th and close October 15th in 2023. For the fiscal year ended July 31, 2022, there were 22 new membership sales. This number broke even from a resignation standpoint. Dues for the calendar year increased at the CPI rate in October of 7.7%. Due to supply chain delays, capital purchases are now being wrapped up for the calendar year. In the next month, an announcement will be made of the amount of capital received for 2023 and projects to be accomplished. Andrew spoke about winter operations including the member holiday party and facility maintenance. Mike Miner and his golf course maintenance team plow roads and ensure hydrants are cleared. A question was raised regarding plans to encourage younger membership in the club. Andrew answered this was discussed in the September meeting and will be an ongoing conversation. When asked what Frost Creek does differently, Andrew spoke about their initiation fee and dues model. He further noted their cottage business model has captured the Denver Metro market and changed the direction of that club. Comments were made to suggest offering other economic models. Andrew shared details of a program that will be rolled out to other Signature Club members for a one-year only, dues-only introductory membership. After one year, introductory members would owe the initiation fee to stay at the club.

Real Estate / Marketing Update

Dennis Grindinger spoke about meeting with Vail Resorts Signature Clubs and data they are going to share once approval is received. The marketing committee intends to reach out to real estate professionals in the valley to better understand the changing ownership of Red Sky Ranch properties. This information will help determine how to target buyers and market Red Sky Ranch. Lee Hoover added that there are links to the Red Sky Golf Club on the Beaver Creek and Vail Mountain websites that can be used to inform people of offerings in the Red Sky Ranch community.

2022 Financial Update and 2023 Budget

Dana Miller reported the Association remains in a strong financial position. In the 2022 budget, expenses were budgeted to exceed revenue by \$87K and are forecasted to end the year with expenses exceeding revenue by \$66K. There were favorable variances from budget in revenue from Design Review fees and a slight unfavorable variance in real estate transfer assessments with one residence and one lot sale. Other unfavorable variances were driven by inflation and utilities and the ranch house which required plumbing and roof repairs. A financial audit is conducted by an external firm every other year. There were saving from the audit budgeted for 2022 that will be done in 2023. In the 2023 budget, the annual assessment will remain flat at \$2,500. Real estate transfer assessments (“RETA”) are budgeted conservatively at

\$100K. Two residences are currently for sale. Increases in expense include the financial audit, utilities, rent, and fuel. Dana explained, in the past, a vehicle has been leased from Vail Resorts. The Association has decided to purchase a vehicle that will be depreciated and included in the operating budget. This will provide savings long-term and better reliability. There is an increase in legal fees. Improvements for 2023 include landscape and trail improvements. \$50K is budgeted for fire mitigation. This budget leaves a fund balance of slightly over \$1M. A question was asked regarding what activities are involved in fire mitigation. Lee Hoover answered that Eagle Valley Wildland (“EVW”) is currently assessing the area to identify risk. Ramsey added areas that have been identified are the ridge that splits the community, and the face of the ridge on the eastern side of Aspen Bluff. EVW will meet with Joufflas in a couple of weeks to address the need for mitigation on his property. Eric Kurzweil referenced minutes from the September Board meeting containing further information. Lee said Hugh Fairfield-Smith will attend future Board meetings to provide updates. Dana stated the 2023 budget has been approved by the Board and unless there is a motion to disapprove it, the budget is ratified. Hearing none, the budget was ratified.

Design Review

Steve Nusbaum said the last couple of years have been busy with construction activity in Red Sky Ranch. The Design Review Board (“DRB”) is currently tracking 35 projects ranging from landscape remodels to new residences. There are 14 new residences, six are under construction and eight have received full DRB approval. Four of the approved projects have requested one-year extensions to start construction. Steve spoke about the opportunity to receive a free wildfire assessment on personal property through Eagle County. DRB will waive any tree removal fees if the application is accompanied by a wildfire mitigation report from Eagle County or Eagle River Fire Protection District. Steve noted this requires DRB approval and said they are doing their best to expedite the process. When asked if the Design Guidelines have been updated, Steve responded they were revised three or four years ago with the intent to give owners a little more flexibility in style and materials, and acknowledge that architectural trends have changed over the years. The revised guidelines were adopted by DRB and ratified by the Association Board.

Ranch Manager Update

Ramsey Romanin reported all cameras have been replaced and the storage unit has been updated and is online. Access controls have been upgraded to TransCore style readers that are compatible with Beaver Creek. Compatibility with Bachelor Gulch is being worked through. There is a limited supply of access tags because of supply chain issues. Ramsey is working with the vendor to receive additional stickers and license plate readers. He will email property owners when they are received. If owners are not in residence and their vehicle is on property, Ramsey or Marty will install the sticker. The new call boxes are backlit and have numbers. No letters or acronyms will be used going forward. The green Enter key in the middle of the keypad must follow the sequence of numbers. Ramsey noted the screen goes to sleep in a couple of minutes and pressing any button will wake it up. Ramsey informed members that there are new employees at the Wolcott post office. They will not return packages if addressed correctly. Ramsey will send an email to all property owners with information on how to address packages properly. Their hours are 12:00 noon to 4:00 p.m., Monday through Friday.

Red Sky Ranch Metro District Update

Ken Marchetti spoke about when Red Sky Metro District (“RSMD”) implemented a sales tax a few years ago, use of the revenue was limited to roads, road safety and transportation. Subsequently, fire protection was added. This tax has generated \$250K to \$300K per year. These funds have been transferred to Holland Creek Metro District (“HCMD”) for road maintenance. The RSMD Board asked for a legal opinion on whether the sales tax revenue could be used to pay for road debt service. The bond counsel advised that would be a permissible use. The RSMD Board decided to use the sales tax revenue to pay a portion of the debt service and were able to reduce the mill levy rate by 17 mills or roughly 15%. Property owners should see a reduction in their property taxes shortly after the first of the year. Ken added that a significant increase in assessed values in 2023 is anticipated. Taxpayers will receive notice from the Eagle County Assessor’s office around May 1st. A protest period follows.

Holland Creek Metro District Update

Jerry Hensel said road overlay was done on upper Red Sky Road this year noting it is repaved in four segments because of the length of the road. Lark Sparrow and the maintenance facility road for the water district plant will be repaved next year. Most repaving is done on a 10-year cycle. Roads are reassessed every summer. Some address markers were replaced this year and will be an ongoing project over the next couple of years. Staining of guardrails and lamp posts will continue.

Water Update

John Volk reported on the disinfection byproducts and total trihalomethanes (“TTHM”) issue with the water supply. This reaction from a disinfectant, i.e., chlorine or bleach forms an organic acid that is a suspected carcinogen which EPA monitors to ensure levels are low. In November 2021, there was an elevation of TTHMs. At the time, the tanks were very full and water age was suspected. When levels did not come down next quarter as expected, carbon was changed out at the plant in February and April. John noted the raw water loading rate was four times higher than in the past. The water was then

flushed more to keep it moving and as fresh as possible. Another carbon vessel was then changed. The last sample taken in September was 25 micro grams per liter vs. a maximum of 80. Because it is an annual average calculation, the system technically remains in violation. At the next quarter, the system should be at normal TTHM levels and in compliance for the annual average. To mitigate this in the future, a serpentine pipe system will be used to inject polymer that will make the organic carbon filterable. Additionally, on tank two, a TTHM volatilization system will be installed in the spring. A question was raised about effectiveness of an RO system at the home site, and John affirmed it would filter TTHMs if working properly. John said not all carbon filters work and he advised looking for certification of being rated for treatment for TTHMs on home products.

Other Business

Eric Kurzweil gave an update on the lawsuit between Vail Resorts (“VR”) and HCMD. On Friday, VR filed for a motion to dismiss the case, and the judge ruled favorably. HCMD will convene to discuss options and next steps.

There being no further business, the meeting was adjourned at 11:12 a.m.

Respectfully submitted,

Carol Floyd
Secretary for the Meeting

Red Sky Ranch Association

2024 Budget, 2023 Forecast & 2024 Budget Itemized



	2023	2023	2024	Variance	inc/(dec) From 23 Fcast	Notes
	Budget	Forecast	Budget	23 Fcst to 24 Bud		
Revenue						
Common Assessment	\$ 227,500	\$ 227,500	\$ 227,500	\$ (0)	0%	
Transfer Assessment	100,000	220,100	100,000	120,100	-55%	Assume inventory is low for 2024
DRB Fees	20,000	16,715	15,000	1,715	-10%	
Interest	2,000	26,137	40,000	(13,863)	53%	Interest on investment and money market accounts
Late Fees	-	-	-	-	0%	
Other Income	-	-	-	-		
Total Revenue	\$ 349,500	\$ 490,452	\$ 382,500	\$ 107,952	22%	
Operating Expense						
Gate Operations (utilities and maintenance)	\$ (8,200)	\$ (7,702)	\$ (8,200)	(498)	6%	
Gatehouse Operations	(84,953)	(90,034)	(92,686)	(2,653)	3%	
Ranch Manager Salary & Benefits	(89,491)	(88,169)	(92,783)	(4,614)	5%	
Ranch Manager Operating Costs	(200)	(200)	(200)	(0)	0%	
Ranch Manager Facility Expense	(60,770)	(67,526)	(65,179)	2,347	-3%	Increase in utilities and rent. 2023 included snow removal and boiler repairs
Ranch Manager Vehicle Costs	(5,035)	(3,972)	(6,000)	(2,028)	51%	
Ranch Manager Vehicle Depreciation	(8,053)	-	-	-	100%	VR vehicle used rather than hoa purchase of a new vehicle
Entry Landscaping	(10,000)	(8,196)	(10,000)	(1,804)	22%	
Roadway Landscaping	(11,000)	(8,708)	(11,000)	(2,293)	26%	
Recreation Trail Maintenance	(4,750)	(3,420)	(4,750)	(1,330)	39%	
Roadway Fence Maintenance	-	(606)	-	606	-100%	Bellyache Fence Staining completed every 3 years
Noxious Weed Spraying	(12,000)	(15,500)	(15,500)	-	0%	
Insurance	(7,333)	(7,533)	(8,511)	(978)	13%	
Homeowner Functions	(4,000)	(2,800)	(4,000)	(1,200)	43%	
Homeowner Marketing	(18,000)	(3,000)	(10,000)	(7,000)	233%	
Legal	(100,000)	(100,000)	(100,000)	0	0%	
Audit	(10,000)	(10,000)	(500)	9,500	100%	Audit done every other year. Tax returns prepared annually
Management Fee	(41,465)	(41,465)	(40,807)	658	-2%	
Accounting Fee	(10,246)	(10,244)	(10,758)	(514)	5%	
Income Tax	(300)	-	(5,000)	(5,000)	100%	
DRB Expense	(42,713)	(35,112)	(45,421)	(10,309)	29%	Open admin position during 2023
				-		
Total Operating Expense	\$ (528,509)	\$ (504,187)	\$ (531,297)	\$ (27,110)	-5%	
Surplus/(Deficit)	\$ (179,009)	\$ (13,735)	\$ (148,797)	\$ (135,062)	983%	
Operating Reserve Funding / (Withdrawal)	\$ (179,009)	\$ (13,735)	\$ (148,797)	\$ (135,062)		
Improvement & Replacement Reserve Funding	\$ (104,937)	\$ (104,937)	\$ (116,776)	\$ (11,839)		
Total	\$ (283,946)	\$ (118,672)	\$ (265,573)	\$ (146,901)		
Operating Reserve Fund						
Beginning Balance	\$ 1,373,007	\$ 1,438,437	\$ 1,319,765	\$ (118,672)		
Surplus/(deficit)	(283,946)	(118,672)	(265,573)	(146,901)		
Ending Balance	\$ 1,089,061	\$ 1,319,765	\$ 1,054,192	\$ (265,573)		
Improvements & Replacement Reserve						
Beginning Balance	\$ 18,450	\$ 19,811	\$ 43,940			
Funding/(Draw)	104,937	104,937	116,776			
Expenditures						
Landscape Improvements	(6,365)	(6,365)	(6,550)			
Trail Improvements	(2,650)	(2,650)	(2,750)			
Fence Improvements	(2,700)	-	(2,700)			
Trail Trees	(12,000)	(12,000)	(12,000)			
ATV Tires / Maint	(1,500)	(1,295)	(1,500)			
Lark Sparrow Gates	(6,000)	(5,868)	-			
Red Sky Ranch Road Gate	-	-	(6,000)			
Holiday Lights	-	-	(1,000)			
Laptop	(1,200)	(1,280)	-			
Gate Software & Touchscreens	-	(1,350)	-			
Wildfire Mitigation	(50,000)	(50,000)	(20,000)			
Improvement Expenditures Total	\$ (82,415)	\$ (80,808)	\$ (52,500)			
Ending Balance	\$ 40,972	\$ 43,940	\$ 108,216			

CANDIDATE BIOS

Dennis Grindinger

Dennis has been at Red Sky since 2012 after he and Catherine built a home on the Norman Course. He retired from Hunt Oil Company in May 2018, after a 20-year career in which he served as General Counsel, Chief Financial Officer and finally EVP of Worldwide Operations. Before joining Hunt in Jan 2000, Dennis practiced as an attorney for 18 years at Thompson & Knight in Dallas, Texas. He graduated from University of Notre Dame with a BBA in 1979, and SMU School of Law with a JD in 1982.

Peter Mason

The majority of Peter's professional career was serving as a business lawyer from 1976 until 2018. In 1983, he was a founder of the Chicago-based law firm of Freeborn & Peters and led that firm for many years. Between 1997 and 2003, he served as CEO of a public company in the information services space, May & Speh, Inc., and as CEO of JobsOnline, a data analytics business. He has served on many public and private boards in the technology, food, insurance, printing, and infrastructure spaces. In addition, he has been a private market investor for many years. He has been active in the Young Presidents' Organization for over thirty years. He was President and Trustee of The Goodman Theatre in Chicago from 1997-2008.

He currently focuses on advising families with significant business interests, often serving as trustee, executor, and advisor. He is an active investor and advisor to a broad range of businesses and assists on strategy and financing matters.

William Simon

Bill and his wife Beth have had a home at Red Sky Ranch for 10 years. They generally split their time between Colorado and Philadelphia. Bill has served on the Red Sky Ranch Association for three years. He is retired from the Capital Group. Bill serves on several nonprofit boards including the Eagle Valley Community Foundation. The Simons have three children with two living in Colorado.

RED SKY RANCH ASSOCIATION

PROXY and BALLOT

The undersigned hereby appoints the chairperson of the meeting described in this Proxy as the undersigned’s proxy, with full power of substitution, to attend the Annual Meeting of the Members of the Red Sky Ranch Association (the “Association”) to be held at the Red Sky Golf Club Member Clubhouse on **Thursday, December 21, 2023 at 10:00 a.m., MST**, and any adjournment or adjournments thereof, and to vote thereat the number of votes which the undersigned would be entitled to vote, with all the power the undersigned would possess if present in person as follows:

1. To vote for three (3) Director as follows:

<u>For</u>	<u>Nominee</u>	
_____	William Simon	Director (3-year term)
_____	_____	Director (3-year term)
	(write-in)	
_____	Dennis Grindinger	Director (3-year term)
_____	_____	Director (3-year term)
	(write-in)	
_____	Peter Mason	Director (1-year term)
_____	_____	Director (1-year term)
	(write-in)	

2. To vote on the 2022 Annual Meeting Minutes (attached).

- _____ Yes – I approve
- _____ No – I do not approve
- _____ I abstain from voting on the 2022 Annual Meeting Minutes

3. To review and consider the Board adopted budget for fiscal year 2024.

4. To vote on such other business as may properly come before the meeting.

By submitting this Proxy, the undersigned hereby acknowledges receipt of Notice of Annual Meeting of Members dated November 22, 2023. THIS PROXY MUST BE COMPLETED AND RETURNED VIA THE ASSOCIATION’S ONLINE VOTING PLATFORM, OR COMPLETED AND RETURNED TO CAROL FLOYD AT THE FOLLOWING ADDRESS, **ON OR BEFORE DECEMBER 21, 2023 AT 8:00 A.M.** You may fax this signed Proxy to 970-754-5287, mail it to P.O. Box 100, Edwards, CO, 81632, or e-mail it to cfloyd@vailresorts.com.

Dated: _____
(Please date your proxy)

Signature of Member as such Member’s name appears on deed

Print Name

Lot 7 Number / Street Address