

RED SKY RANCH ASSOCIATION
Annual Member Meeting Minutes
December 20, 2021
via Videoconference

The 2021 Annual Member Meeting of Red Sky Ranch Association (the “Association”) was held virtually on December 20, 2021. Board members present were Eric Kurzweil, Marcella Barry, Bill Simon, 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 Hendrix, Director of Golf Operations; Koby Kenny, Director of Public Safety; Chris Burns, Senior Manager of Beaver Creek Mountain Services; 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 10:01 a.m.

Verification of Proper Notice and Quorum

Greg Perkins confirmed proper notice was sent in advance of the meeting and he stated, based on proxies received, Carol Floyd has confirmed a quorum was achieved.

Introductions

Eric Kurzweil introduced the Association Board members. Eric announced Mike Trueblood has left his position of Association Manager. He introduced Lee Hoover, the new Senior Director of Beaver Creek Resorts Operation and Association Manager.

Association Description and Election of Directors

Greg Perkins described the Association as a non-profit corporation charged with homeowner services including public safety, design review, and collection of assessments to fund operations. Decisions are made by the owner elect Board of Directors. Property owners must ratify the Association’s annual budget. Greg explained this is the second year the Directors election and approval of annual meeting minutes were conducted online noting the platform will remain open for voting until 10:30 a.m.

Community Update

Golf: Andrew Hendrix gave a brief overview of his background. He began his current role as Director of Golf in July and had previously been at Red Sky Golf Club in 2008-2009. He spoke about the timeframe between closing and the first snowfall when the course and facilities are winterized. Last month, the 2022 social calendar was released to members. Focus will be on enhancing the social experience and providing a calendar that makes sense operationally. As of December 1st there were 229 members broken into full golf, introductory, social and legacy membership categories. FY21 ended with three full golf sales and four property transfers. Thus far in FY22, which began August 1st, there have been eight full golf sales. Club dues were announced last week, following CPI with an increase of 6.8%. A list of capital projects has been compiled and is currently under executive review at the company level. Top priorities include new golf carts and replacing the lightening detection system. Andrew spoke about a web based functionality of the system that could potentially be shared with all homeowners to provide weather and fire alerts.

Marketing/Real Estate: Eric Kurzweil spoke about the Board’s effort to engage community and broker awareness regarding the attractiveness of Red Sky Ranch. Through November, there were 13 parcel and six home sales this year. There are currently three lots and two homes on the market for sale.

Financial/Budget: Dana Miller reported 2021 has been a very strong year for the Association due to the 2% real estate transfer assessment (“RETA”) collected at closing. \$650K in RETA has been received year to date. Design Review fees are \$48K favorable to budget because of increased activity. Total revenue is forecasted to end the year slightly over \$1M. Operating expenses are in line with budget. Homeowner marketing in the amount of \$15K did not occur this year. Legal fees exceeded budget slightly. Design Review expense was over budget with the increase in activity and addition of a seasonal staff member for the summer months. The total operating surplus is forecasted to be \$675K. Dana stated a conservative approach was taken when preparing the 2022 operating budget. A five-year average was used for RETA and Design Review fees, excluding 2020 and 2021 because they were extraordinary years. For 2022, RETA is budgeted for \$90,000 and Design Review fees at \$9,500. The annual assessment will decrease from \$3,500 to \$2,500 per lot. Total revenue is budgeted at \$328K. \$415K is budgeted for operating expense, including the addition of fence staining in the amount of \$24K and increased Design Review expense for staffing a seasonal position and increased rent with their offices moving location. Legal is increased to align with the current year forecast and the management fee is calculated based on operating expenses. A deficit of \$87K is budgeted to be withdrawn from the Operating Reserve Fund

balance. \$33,000 was spent on Improvements and Replacement in 2021. Changes noted were an additional \$6K for removal of trail trees and the Lark Sparrow gates project was moved to 2022. 2022 projects include landscape and trail improvements, and camera and gate system upgrades, for a total Improvement and Replacement Reserve budget of \$\$68K. Dana stated the 2022 budget would be ratified unless there were a motion to disapprove it. Hearing none, Dana declared the budget ratified.

Design Review: Lee Hoover reported there were 46 applications submitted this year. As of December 1st, there were 23 active or pending construction projects including one roof replacement, converting from shake to composite shingles, and three fire mitigation tree removal projects. Currently, in plan review and ongoing construction, there are 11 new residences.

Ranch Manager: Ramsey Romanin explained replacement of the Lark Sparrow gate was postponed until 2022 because of contractor illness. The groundskeeper has completed the dead tree mitigation project along the trail. Top Notch Woodworks replaced all street sign posts in late November. Dead standing trees visible from the Norman course fifth green were removed in late October. Ramsey noted the remaining dead standing trees in that area are on Joufflas property and were not removed. A new Assistant Ranch Manager has been hired. Marty O'Keefe has been trained and has been executing house checks and other duties since late October. Noxious weed spraying was done over the summer and is budgeted again for next year. Catamount targets Canadian thistle, milk thistle, and sweet clover. The package program has been a success. Ramsey recommended packages be shipped to the Welcome Center address including the property owner's name, 0038 Red Sky Road, Wolcott, CO 81655. There is an online log available through Google Docs to monitor packages. The gate system upgrade will consist of a new call box and Encompass Transcore RFID readers at all gates, excluding the exit lane. The readers are compatible with Beaver Creek access systems. The cost for a window tab is \$22. If a windshield is heated, a license plate mount would be required at a cost of \$49. Pending weather and supply chain issues, the system will be integrated by late spring. There will be a complete overhaul of the camera system including six new license plate cameras, one at each entrance and two at the Welcome Center capturing entrance and exit. Five new callbox area cameras and four new gate view cameras will be installed at each east side gate. Ramsey encourage property owners to have low temperature alarms installed. He also recommended FloLogic, WaterCop, and WaterHero water devices.

Red Sky Metro District: Ken Marchetti explained he provides accounting services for Red Sky Metro District ("RSMD") and Holland Creek Metro District ("HCMD"). The current President of RSMD is Jim Malernee. Other property owners on the RSMD Board are Jim Benedict, Steve Stroker and Eric Kurzweil. Ken announced there will be a Board member election in May of 2022. Nominations are being accepted until February 25, 2022. RSMD would be interested in speaking with anyone who may wish to serve on the Board who meets the qualifications of being a Colorado registered voter and resides full time in Red Sky Ranch or holds Red Sky Ranch property in their name. Ken spoke about a 35 acre parcel on the eastern side of Arrow Lane that is not currently part of Red Sky Ranch. The property owner has verbally petitioned RSMD to be included into the district for the purpose of obtaining water service from Red Sky Ranch to that property. The owner owns other properties on Arrow Lane and is proposing transferring water service from a vacant property to the 35 acre parcel. If this transaction is completed, the 35 acre parcel would receive the same level of water service as the other lots in Red Sky Ranch. The RSMD Board would like to ensure HCMD and the Association are aligned on this matter. Ken stated the total assessed value in Red Sky Ranch has increased by 6%. The increased home values that have occurred since July 1, 2021, will be reflected in the 2023 reassessment. RSMD has opted to hold the mill levy rate constant and plans to retain sales tax. \$250K in sales tax revenue is expected to be generated this year.

Holland Creek Metro District: Koby Kenny said the Operations and Maintenance Agreement and supplemental Water Lease agreement between HCMD and Vail Resorts have been executed. The road resurfacing project on Aspen Bluff was completed. Jerry Hensel is currently securing bids for 2022 repaving projects.

Property Owner Q & A: Michael Morely asked if there are any plans for using the former Sales Center at the Fazio Course. Eric Kurzweil requested Michael send any suggestions to the Board for consideration.

Election Results and Approval of the 2020 Member Meeting Minutes

Greg Perkins confirmed, based on final results received from the electronic voting firm, Eric Kurweil and Marcella Barry have been reelected to the Board unanimously. He further confirmed the 2020 Annual Meeting Minutes were approved.

Eric Kurzweil thanked staff for their support and Board members for their insight to make Red Sky Ranch as great as it is.

There being no further business, Eric Kurzweil moved to adjourn the meeting. Marcella Barry seconded the motion and the meeting was adjourned at 10:54 a.m.

Respectfully submitted,
Carol Floyd, Secretary for the Meeting