

**RED SKY RANCH ASSOCIATION
Board of Directors Meeting
March 14, 2022
via Videoconference**

A regular meeting of the Red Sky Ranch Association (“the Association”) Board of Directors was held on March 14, 2022, via videoconference. Board members in attendance were Eric Kurzweil, Marcella Barry, Bill Simon, Dennis Grindinger and Scott Wylie. Also in attendance were Lee Hoover, Association Manager; Dana Miller, Senior Financial Analyst; Ramsey Romanin, Ranch Manager; Steve Nusbaum, Senior Manager of Design Review Administration; Jerry Hensel, representing Holland Creek Metro District; and Carol Floyd, Secretary for the Meeting. Eric Kurzweil called the meeting to order at 4:03 p.m. and confirmed the presence of a quorum.

Approval of December 20, 2021 Annual Board of Director Meeting Minutes

Scott Wylie moved to approve the December 20, 2021 Annual Board of Director Meeting Minutes as presented. Marcella Barry seconded the motion and it was unanimously approved.

Ranch Manager Update

Ramsey Romanin provided a project update. The gate system upgrade is tentatively scheduled to be installed beginning June 1st for completion by July 1st. The contractor is anticipating a 10% increase from the bid for component costs. A deposit will be made by the end of March to secure time on the contractor’s schedule and allow for the procurement of parts. Ramsey reported James Jouflas will not run livestock on his adjacent property this summer. Ramsey will finalize a light audit within the next week for Holland Creek Metro District (“HCMD”) to replace bulbs in rock lights, address markers, and street lights when weather permits. Premier Painting will begin staining the Bellyache Red Sky Ranch fence the first week of May, weather pending.

Ratify Appointment of Officers for 2022

Eric Kurzweil moved to ratify officer appointments from the December 20, 2021 Annual Board of Directors Meeting. Dennis Grindinger seconded the motion and it was unanimously approved.

Reintroduction of Marketing Committee

Eric Kurzweil spoke about the Association’s previous marketing efforts. He recommended the reformation of a Marketing Committee to promote Red Sky Ranch with realtors and the community at large. Discussion took place with regard to reconnecting with Signature Clubs to explore opportunities for collaboration. Marcella Barry and Dennis Grindinger agreed work together to create a marketing plan of action. Ramsey asked to be involved with broker events or other means of communication to make known the value of his services provided and included in the annual assessment.

35 Acre Lot Addition Update

Eric Kurzweil stated the Association is awaiting answers to their questions regarding the 35 acre lot addition from Red Sky Metro District.

Design Review

Steve Nusbaum reported there is currently a lot of activity with 13 new homes under construction or in the approval process. There are also a number of significant remodel and smaller projects. Steve noted the allocation for Design Review Administration services charged to Red Sky Ranch was adjusted from 12% to 7% a couple of years ago. Given the amount of new construction activity, he intends to reexamine the allocation percentages between Red Sky Ranch, Arrowhead, Bachelor Gulch, and Beaver Creek. Steve gave a brief update on Lot 20 explaining the process and requirements for obtaining an encroachment outside of a Red Sky Ranch envelope and/or building envelope. He added that the administrative process or public hearing option allows neighboring property owners, who may be impacted, to be aware and have input.

Financials

Dana Miller provided year-end financial results for 2021. There were \$1.5M in assets with \$1.7M invested in various First Western Trust accounts including five CDs. Refundable Design Review deposits were

\$187K. In equity, there was \$97K in the Improvement Reserve, \$668K in retained earnings from the beginning of the year, and a surplus of \$781K. The biggest factor driving the surplus was real estate transfer assessments ("RETA") received in the amount of \$745K vs. a budget of \$133K. With increased construction activity, \$60K was collected in Design Review fees on a budget of \$7.5K. Expenses ended the year \$7K favorable to budget. \$33K in improvements included trail and fence improvements, ATV trailer, and trail tree removal. Dana stated \$6K budgeted for gate improvements has been moved to 2022. Dana presented financials as of January 31, 2022. There were \$1.8M in assets held in First Western Trust accounts with \$553K in CDs. Dana noted two CDs matured in February and those funds were transferred to the Money Market account. Owner receivable was \$110K and has decreased to \$48K in February. Annual assessment billings were emailed and paper statements sent to those without email addresses the first week in January. Reminders notices have been sent and payments are being received. The bulk of the \$86K in accounts payable is for gatehouse yearly expense that was subsequently paid in February. Advanced billing dues represents dues revenue billed at the beginning of the year and recognized evenly as revenue throughout the year. In equity there was \$108K in the improvement reserve and \$1.4M in retained earnings brought in at the beginning of the year. Expenses exceeded revenue by \$5K in January which is typical the first few months of the year since dues are spread evenly over the twelve months. On the Income Statement, there were no transfer assessments collected in January. Dana added that none were collected in February. One lot sale is pending for March in the amount of \$395K that would generate approximately \$8K in RETA. \$2K favorable to budget in Design Review expense is related to their office relocation that has not yet occurred. In total, January is favorable to budget by \$7.8K. There were no improvement expenditures in January or February. Dana referenced proposals included in the Board package from McMahan and Association for a financial audit in the amount of \$9K or review in the amount of \$6K. Audits have been conducted on an every other year basis in 2020, 2018, and 2016. The auditor confirmed there is no requirement to have an audit annually. Eric Kurzweil noted Marcella Barry has reviewed the proposals and recommended continuing with an every other year schedule. There were no objections from the Board. Dana added that she runs a County report each year to ensure all RETA has been collected.

Holland Creek Metro District Update

Jerry Hensel reported repaving from the cart path near Hole 13 to the top of Red Sky Road is scheduled to begin May 2nd for completion by Memorial Day, weather permitting. All regulatory sign poles were replaced last fall and a dozen regulatory signs were replaced over the winter. Bids will be obtained to replace address markers over the next two years. Guardrails will be repaired and stained prior to Memorial Day. Jerry has worked with Mike Miner to identify problem manholes and water key holes to be repaired. One HCMD plow truck will be replaced this year. A second plow truck will be replaced next year.

Eric Kurzweil moved to enter Executive Session for purposes of discussing legal matters and receiving advice from legal counsel. Dennis seconded the motion and the Board entered Executive Session at 5:02 p.m.

Eric Kurzweil moved to exit Executive Session and adjourn the regular Board meeting at 6:20 p.m. The motion was seconded and the meeting was adjourned.

Respectfully submitted,

Carol Floyd
Secretary for the Meeting