



ALPINE MOUNTAIN RANCH & CLUB

STEAMBOAT SPRINGS, COLORADO

Alpine Mountain Ranch Association Annual Meeting

December 16, 2021, 2:00 p.m. MST

Alpine Mountain Ranch Owners' Lodge and Virtually by Zoom

1. Call meeting to order and opening remarks (Andy Daly)
Andy: Welcome to the annual meeting, very excited to have so many new owners.
2. Introduction of Audrey Williams, property manager
Andy: Introduced Audrey Williams, AMRC new property manager
3. Welcome owners 2021
Audrey: Welcomed owners participating by Zoom: David Dacus (Lot 29), Jay Monahan (Lot 60), George Strompolos (Lot 19), Mary FitzSimons (Lot 14), David Aronson (Lot 21), Fred Taylor & Claudia Garza (Lot 20), Marcia Segall (Lot 8) and Warren Adelman (Lot 24). In person, Dennis Frlan & Diane Benck (Lot 28), Ken Hiltz (Lot 38), Russ Sherlock (Lot 15), Steve Speer (Lot 31), Richard Ludlow (Lot 11), Brian & Ginny Liverman (Lot 7), Chuck Rueben (Lot 18), and Keith Steiner (Lot 10) were in attendance.

Altogether, 8 owners participated via Zoom, 8 in person and 22 lot owners filed proxies.
Andy Daly stated that there was a quorum.
4. Approval of minutes from December 21, 2020, meeting (Andy Daly)
Andy Daly: The minutes were presented in the packet provided to everyone.
Steve Speer (Lot 31) – Made a motion to approve the Dec 2020 minutes, Ken Hiltz (Lot 38) seconded the motion, motion passed unanimously.
5. Routt County property valuation appeal (John Vanderbloemen, attorney)

See the attached memo regarding Vanderbloemen's discussion points.

6. Operations Update (Audrey Williams)

- a. We are going live with the owners' portal at alpinemountainranch.com following the meeting. It features calendars for the guest cabin, owners' lodge, hermitage, barn and events. Owners will be able to check availability and submit reservations requests. Once approved, owners will receive an email confirmation. The amenities policy is on the website. Cleaning fees will be billed 30 days in advance and for reservations canceled within 7 days of the stay, fees will not be refunded. The portal will also include Association documents.
- b. We are now taking payments through QuickBooks. This will include ability to pay annual dues electronically.
- c. Wildfire mitigation: Audrey & Russ Sherlock (Lot 15) did a tour with the USFS and the Colorado State Forest Service of properties that had completed wildfire mitigation. This is a costly process and the owners worked with various agencies to obtain grants. The areas of concern at the ranch are the Priest Creek drainage, Highline Ditch drainage, and the Pine Springs/Kemry Lane area. This past fall the developer paid to remove dead and down timber on the lots on Rockledge Road at a cost of about \$100K. Audrey will continue to work with the various agencies to explore grants or take advantage of projects adjacent to the property.
 - i. Suzanne stated that we received a grant in the past, a mastication project that is evident in the areas that look like ski runs above Rockledge Rd. There are options on how to deal with the downed timber, such as burying it, which could be more economical than using helicopters to remove timber from deep drainages
 1. New Guest Cabins. Audrey will email renderings when they become available. The foundation is poured for the duplex unit, with each side featuring a primary suite and a lock off extra bedroom suite in between the two main units. We are anticipating the building to be completed by November 30, 2022. Suzanne explained one side will be for owner use and the other side will be reserved by the developer for sales and marketing during the lease that was negotiated by the Metro District. Andy: There is a 10-year lease between the Association and the Metro District for \$100 per year and at the end of 10 years the building will be turned over to the Metro District. The Association will maintain and manage the building. The Association will need to decide in the future how they want to use the two residential buildings—the existing guest cabin and a new duplex cabin under construction—as originally the guest cabin was for a property manager.

7. Sales and construction update (Suzanne Schlicht). Suzanne stated that it has been a tremendous year for sales. See the attached map. In 2021, we will have closed on 18 sales, 17 homesites and one market home on Lot 19 to the Strompolos family. The average lot sale price was \$2,345,000. The value of the Alpine Mtn Ranch & Club lots are trending \$1 million higher than Catamount, Marabou Ranch, and comparable lots. Currently we have sold 35 lots, which is 56% sold. This fall the developer cleared the standing dead and fallen timber on lots on Rockledge Road. Going forward Rockledge Road will be paved to the turnout at the edge of Lot 57. The rest of Rockledge will remain unpaved, where the open space area is located.

- a. The sales goal for 2022 is to sell 14 lots and the 2 market homes on Lots 17 & 44. The average square foot sale price is \$1042 in the area. For lots 35 acres and smaller, there are only 6 homes for sale in the AMRC price range, \$5-\$7M, in Routt County.
- b. Construction. There are 18 homes under construction or completed. Four more homes will be starting construction with Alpine Master Builders in 2022. By the end of 2022, approximately 25 homes will be built or under construction. Alpine Master Builders also began construction on the market home on Lot 36. The development has homes under construction with Fox Construction, Gerber Berend, Hamilton Construction and Lot 12 is adding an outdoor kitchen and sauna. We are working with builders to make sure they follow the construction rules in our covenants. Contractors must review and sign off on the policies. Audrey Williams is trying to keep an eye on speeding, please call Audrey or Suzanne with any concerns.

Several "Chat" questions/comments were submitted via Zoom and Suzanne answered them with the following information

- Please send out renderings for the guest cabin.
 - There will be 63 homesites when the project is complete.
 - Both lots that comprised an "Enclave" pay Association dues.
 - The airport and ski area transportation are located under concierge services on the Owners' Portal.
 - The Rockledge Road tree removal was paid for by the developer. Suzanne mentioned that the developer will build a monument at the entrance to the Upland Preserve, the name that has been given the new area.
8. 2021 financial review and 2022 budget approval (Audrey Williams/Suzanne Schlicht)
The differences year-over-year from 2021 actual versus proposed 2022 budget include:
 - Decrease in professional fees now that the Owners' Portal has been completed.
 - The DRB will now be billing and collecting review fees upfront. Fees have been increased to cover actual costs.
 - Association dues have increased from \$7,460 to \$7,775. The Rockledge Rd lots will begin paying Association dues in the 4th quarter.
 - The equestrian program budget has been increased due to increased demand from owners.
 - Purchased a new pass-through window for the Hermitage and it will be installed this spring.
 - Purchase of more transponders for the front gate.
 - Purchase and install cluster boxes for US mail and parcels.
 9. 10-Year Association Reserve budget:
 - Planning a \$50,000 contribution from the Association operating budget into the reserve.
 - Upcoming projects would be to remodel the guest cabin and the Owners' Lodge in 2023. With \$75k for both projects, the Association can decide to do these projects or change them in the future.
 - Once Upland Preserve is released for sale, those lots will pay full annual dues. Beginning in 2023, the Association will transfer \$100,000 to the reserve annually.
 - Build the livestock shelter in 2022, \$20K is budgeted.
 - All new patio furniture in 2022.
 - Convert the outdoor fire pit at the Owners' Lodge to propane with a timer.

Steve Speer (Lot 31) – What does the mgmt. fee include and at what point does the Association assume control?

Andy Daly -When 47 lots are sold the Association will take over, most likely making the transition over the next 2 years.

Suzanne Schlicht – The Association will need to decide whether to have Corporex continue with providing services like accounting, payroll taxes, etc., or have Audrey continue and the Association pays these fees.

Claudia G. (Lot 20) – How are we managing access on the property?

Suzanne Schlicht – We are currently working with the contractors and providing them with vehicle hangtags for their employees and subs. If you see random vehicles, please call Audrey or Suzanne.

Question regarding grazing going forward. Because of the change in agriculture status, we don't need to graze enter a grazing lease

Steve Speer (Lot 31) – Concerned with the level of reserves going forward

Andy Daly – Recommended a working group to look at the Association reserves.

10. Metro District (Andy Daly)

- 2010 the Metro District was created. It is funded through property taxes, transfer fees, tap fees and Association contributions.
- For 2022 with the increase in assessed valuations, the Metro District is receiving about \$48,000 in property tax with the 5-mill levy.
- This will increase as more homes come online.
- In 2021 the district refinanced original bonds that were at 9% interest rate to a 4.5% interest rate representing a substantial savings. The district was able to pay off a note to the developer and to make improvements. Paid off \$4 million and kept a little less than \$2 million to complete the infrastructure on Rockledge Road and improvements to the water system. History on the water: Priest Creek Ranch (PCR) and Alpine Mountain Ranch & Club were all one property with a water system. The owners sold off PCR and the water rights. The developer purchased the water rights and committed to build a water system and sell water to PCR, it also included the ability to put in 5 wells out in the PCR meadow. Four of the wells have been developed and a 5th is yet to be developed. This was advantageous because that is where the water was and there was not a lot of water on the AMRC property.
- PCR is not included in the Metro District, but we have a service agreement in perpetuity to provide PCR with water at a fixed rate with annual CPI adjustments until we are 75% built out.
- Currently there is \$340k in the Metro District reserve fund. Audrey & Suzanne will be working on some numbers to project what tax revenue amount could be going forward.
- In 2025 & 2027 there is \$140K each to chip seal the roads.
- In 2022 the district will invest approximately \$300k to upgrade the water system, including new instruments and an aeration system. We are meeting all state requirements currently. Over the next 10 years we will put approximately \$1 million into water system upgrades.
- In 2025 we will be bringing on the 5th well, which will add capacity.
- This year we will be installing a remote water meter reading system in both PCR and AMRC. We have had significant leaks in the past, this system will allow us to pinpoint those leaks much faster. The system will provide the district capability to bill for water usage instead of at flat rates. We will adopt a billing system like other districts in the Yampa Valley.
- The district is a public entity and will be creating a website with all the public information. Audrey and Leslie will be working on this project, and there will be a link from the Alpinemountainranch.com Owners' Portal.
- Metro District consists of the roads, water system, treatment plant, water storage, fire hydrants, water rights and all the amenity buildings. The Metro District pays for the major

maintenance and repair for the structures. The Association pays for the upkeep and minor repairs and maintenance.

- If more is needed in the Metro District reserves, we can look at increasing the mill levy. This can be discussed and considered by the board of directors.

Andy Daly – Requested a motion to approve the Association budget.

Steve Speer (Lot 31) – Made the motion to approve with budget and would like to have a working group going forward. Russ Sherlock (Lot 15) – Seconded the motion. The motion passed unanimously.

Steve Speer (Lot 31) – Would like to have the Association financials audited. Andy Daly – We will look into it.

Andy Daly – Adjourned the meeting at 3:30 pm.