

TO: RUNWAY FRONTAGE LOT OWNERS /RUNWAY EASEMENT LOT OWNERS

FROM: CRESTED BUTTE AIRPARK, LLC

RE: STATUS OF MAINTENANCE AND NOTICE OF SPECIAL ASSESSMENT FEE

DATE: JUNE 6 2017

Dear Runway Frontage Lot Owners and Runway Easement Lot Owners:

As you may be aware in April 2015, Brush Creek Airport, LLC, owner of the Crested Butte Airport and the runway, filed for Bankruptcy protection, which 1) resulted in transfer of control of the runway to the Bankruptcy Trustee; and 2) led to the transfer of ownership of the runway to the HOA pursuant to foreclosure of 90 of the debtor's lots in Buckhorn Ranch. For the purpose of this communication, Airport and runway shall be used interchangeably. The foreclosure of the debtor's 90 lots triggered the requirement that the Bankruptcy Trustee convey the runway to the Buckhorn Ranch HOA. In so doing, the HOA formed a separate entity to own, manage and operate the runway. This entity is called CRESTED BUTTE AIRPARK, LLC.

HISTORY

SPECIAL RESTRICTIVE COVENANTS RESPECTING AIRPLANE LANDING STRIP recorded 12/20/95 in Gunnison County set the basic rules for the Airport operation. The Airport was established as a private airport and approved as a private facility in 1995, and the covenants applicable to the Buckhorn Ranch Subdivision then consisting of Avion Club Filing No. 1 platted in 1994, and Buckhorn Ranch Filing No. 2, (the platted area comprising the development plan for the remainder of the property), specifically state NO COMMERCIAL OPERATION, subject to the requirement of available access for emergency airlift operations for the Crested Butte Area for emergency medical, firefighting, or other services for public benefit.

The STIPULATION AND SETTLEMENT AGREEMENT recorded 5/14/2001 in Gunnison County and the Amendment thereto recorded 1/28/2003, establishes several requirements for the continued operation of Crested Butte Airport. Among other things, it a) describes the three classes of users; b) sets the Object Free Area (OFA) for the Crested Butte Airport as 125 feet on either side of the runway centerline and extending 240 feet beyond the end of the runway; c) sets a 315 foot Displaced Threshold on the northwest end of the runway; d) establishes rules for the transfer of the runway to the Buckhorn Ranch HOA; e) requires a Schedule for Reduction of Public Use, and the Approval of Phase-out of Public Use including the implementation of that phase-out; and f) establishes the requirement for Commercial General Liability Insurance, including personal injury and property damage, with Gunnison County, Buckhorn Ranch HOA, and the owner of the runway, now Crested Butte AirPark, LLC.

CRESTED BUTTE AIRPORT AT BUCKHORN RANCH RULES AND REGULATIONS dated March 3, 2001, establish rules and regulations regarding the use of the Airport as well as the

requirements of the above-mentioned Stipulation and Settlement Agreement, specifically to: a) establish, modify and enforce the rules and regulations of the runway in an orderly manner in order to maximize the safe operation of the Airport; b) maintain the surface of the runway in a safe condition during open seasons; c) assess, collect and regulate the appropriate fees to insure the continuity of the runway operation as a subsidiary independent financially from the HOA.; d) ensure that no itinerant traffic will be allowed on the runway or tie-down facilities; and e) that the runway will be limited to private users (as defined by the three classes of users).

CURRENT POSITION

Crested Butte AirPark, LLC has been formed by the HOA to own, manage and operate the runway. There are four members of the AirPark Board, including two HOA Board Members. A list of duties and priorities has been established. These include: a) restriction of the use of the AirPark to Qualified Users as defined in the rules and regulations referenced above; b) regulation of parking on Lot C-1 (airport parking area), owned by the HOA, including Aircraft and Vehicles; c) painting the circled "R" at each end of the runway indicating RESTRICTED or PRIVATE AIRPORT; d) enforcement of our Restrictive Covenants; e) ensuring that we have insurance policies on file for all runway users and "hold harmless" documents by all users (including passengers); f) securing liability, bodily injury and property insurance; g) establishing membership fees for the three authorized user groups (included for Owners of Runway Frontage Lots, \$30,000 for non-runway lot Owners within Buckhorn Ranch, and \$50,000 for 15 other potential users, who must be Gunnison County Residents whose aircraft are registered in Gunnison County); h) obtaining estimates for repair to the runway to ensure SAFE OPERATION; and i) establishing annual dues for the continued operation of the AirPark, including maintenance, insurance, signage and such safety measures as the AirPark Board may require for Safe Operation. The AirPark Board's goal, along with the HOA Board, is to ensure safe operation, enhance Buckhorn Ranch as a whole, ensure the quality of life, and increase property values.

The runway's condition has deteriorated substantially, and presents safety risks. Virtually no maintenance was performed by the developer Brush Creek Airport, LLC over the past 5 or so years. The AirPark Board, in conjunction with the HOA Board, has been soliciting estimates for repairs and has established the following course of necessary actions: the first thing necessary to bring the runway up to a safe operating condition is to remove the three major dips in the runway surface; these are at the southeast end, and make it necessary to land "long", essentially shortening the runway by around 700 feet. These problems were caused by culverts being installed across the runway surface, and as a result the asphalt needs to be brought up to level and repaved in those areas. Second, the runway has a substantial number of cracks, and weeds, water and ice have caused these cracks to increase in number, size and depth (some of these cracks go below the 4" thickness of the runway and extend the entire width). These will need to be dug out, including weed removal, and filled with a tar type material from the bottom up, then leveled with the tar a few inches past the actual crack to prevent or slow down future cracks. (Note: the runway is located in alluvium and fill which is constantly moving along with freezing, snow loads and runoff, which have presented a challenge to ongoing repair and maintenance). At this time, we have not included bids for black surface or painting the centerline and displaced threshold, as these items will be addressed later. The most reasonable estimate for the dip repairs

and the crack repairs to our specifications is around \$60,000 to \$65,00 which does not include black coat and striping. This is a less significant cost, which the AirPark Board feels can be done at a later date with normal operating funds.

In light of the foregoing and in order to ensure continuity of the runway operations, the AirPark Board has reluctantly found it necessary to assess a \$1,350 Special Assessment Fee per lot of each of the 45 Runway Frontage and Easement Lot owners. We realize that this a substantial amount, and also recognize that these urgent repairs need to be completed ASAP in order to keep the runway open for use. Accordingly, the Board has been able to secure financing to pay for these immediate repairs. The contractor has assured us that these repairs done to our specifications should last around five years (depending, of course, on the severity of our winters). We recognize that this is a significant, if one-time, burden, and are willing to consider making arrangements to accept partial payment, so long as the obligation is satisfied within one year, provided that interest will have to be paid to offset the debt service. Interest will be 10% annually.

We have also established annual Airpark dues, which are separate from the HOA dues: the amount is \$600 per year. These annual dues are only assessed against the three user groups. This amount has been determined in conjunction with the establishment of a budget based on estimated and real costs, such as legal, insurance, signage, maintenance including weed mitigation, annual runway sweeping and parking area maintenance, along with a modest but prudent reserve for future runway painting and repairs. Collection policies (including late fees, interest and liens) will be similar to existing HOA procedures.

We all know that the amenity of our own private runway is not without a certain amount of expense, but the condition of the runway and its maintenance was entirely out of our control under the ownership of Brush Creek Airport, LLC - no meaningful upkeep was done. Crested Butte AirPark, LLC, now has control: present and future maintenance and safety are in our hands. Things here at Buckhorn Ranch are going well, the current and future value of our AirPark is now up to us.

Thank you,

Crested Butte Airpark Board of Directors

Spencer Low

Darren Truitt

Erik Klemme

William Clark