March 6, 2017

Letter to Red Rock Resort Guests:

Good morning everyone. We hope everyone is doing well. We want to provide you an update on several fronts.

LOT SALE INFORMATION:

The Bartlett and West survey work is underway. Besides the establishment of the lot lines, B&W is also identifying all of the utility and road easements, locations of common wells, roads, etc. We also have been asked by the county to name the streets and assign street numbers to each lot. The purpose of their request is make it easier for the county emergency responders to locate the exact location they need to respond to. The next step will be to set the corner pins for the lots which will occur once the frost is out of the ground. After that work is completed we will submit the final plat to Grant County for their approval.

The second key lot sale issue we are working on is the formation of a Homeowners’ Association. North Dakota law requires us to form a HOA and establish by-laws before we can begin selling lots. We are working with a real estate attorney who is assisting us in preparing these documents. We will also ask the resort advisory committee to review them as well.

Once the survey and HOA documents are finished and approved by the county we will officially begin selling the lots and spaces. In the meantime, we are working with real estate agents and appraisers who are advising us on lot and space pricing. The formula will consider lot/space square footage and lake views but it will NOT take into consideration the improvements you may have made on your lot. In other words, you won’t have to pay for those improvements twice. We will only be valuing the land and not the improvements.

As a result, we will not have the final lot prices set until late April or early May. In the meantime, please remember that your 2017 lease payment will be fully deducted from your lot price should you elect to purchase your lot or space. This offer will expire at the end of the year.

2017 Leases

Just as a reminder this year you have the choice of doing a one year or a 5-year lease. The five-year lease provides for lease rates to increase only 3% for years 2 – 5 with no additional fees. For those of you who had long term leases in the past, you know that there was no provision to lock in lease amounts so we suggest that you switch to the one or five-year lease. Finally, if you do decide to purchase your lot or space, your lease obligations will cease once the contract to purchase has been signed. Please let Karrie know which lease works best for you before the April 1st lease payment deadline.

KOHLER’S POINT BOAT RAMP:

Many of you have told us that the Kohler’s Point boat ramp needs to be widened and improved. In particular, the ramp is inadequate when storms come up and there is not enough room to get all boats quickly off of the lake. We have been in contact with the ND Fish and Game and they informed us that they have a cost sharing boat ramp improvement program where the state will provide 75% of the funding for the ramp improvement costs with the remaining 25% funding coming from the local sponsoring organization which is the Tri Cities Joint Job Development Authority (TCJJDA). We have received the double boat ramp “push pull” design from Fish and Game and will be submitting a request to the TCJJDA to sponsor this safety improvement project. Unfortunately, the annual deadline for the funding requests each year is February 1st so we will not be able to seek approval until next year but in the meantime, we will begin working with the TCJJDA to gain their support of our request.

OPEN HOUSE

We have set May 6th as our open house date. We will meet at 10:00am at the Rec Center followed by lunch. The meeting will be open to all 2017 leaseholders and any guests you feel might be interested in leasing or buying a lot. We ask that you please rsvp to Karrie so we know how much food to prepare. We look forward to meeting you and sharing our vision for the resort’s future and showing you the model home and floor plan options we will be selling on the expansion lots. At this time, we plan to set up one model home on the north end expansion area east of the rec center and one in the east expansion area.

REC CENTER

Many of you have provided us valuable feedback on optional uses for the center with the most common response as a restaurant. So, based on your feedback we are getting bids from restaurant equipment suppliers on what it would take to set up a commercial kitchen. At this point we do not have anybody in mind to run the restaurant so we would welcome your suggestions on someone to manage the restaurant. Any menu ideas are also welcome. Obviously, we would like someone with experience in cooking great meals. A bar has also been mentioned by several folks as well. Please pass along any names of folks you think would be interested in managing the restaurant/bar to Karrie.

PLAYGROUND EQUIPMENT

The playground equipment has been ordered and will be installed in May.

FISH CLEANING STATION

The fish cleaning station equipment is being bid out. Once the supplier is selected, Corey will be installing the equipment.

FUEL PUMP

Many of you have told us that if the price of fuel was higher than in town you would not be interested in having a fuel pump. Based on that feedback we will not be installing a fuel pump due to the installation costs of the tank and pump.

RESORT ADVISORY COMMITTEE

We are pleased to announce that several resort guests have agreed to serve on the resort advisory committee. They are Scott Erhardt, Sherrill Seeger, Barb Kraft and Blaine Olson. We are still waiting to hear back from a couple others also. Their job will be to advise us on ways we can make the resort the best place it can be. Our first meeting with the committee is scheduled for later this month. Their first assignment will be to advise us on establishing the prices of the lots and spaces. We have several comparisons that the realtors have provided us as a starting point. Another major task for the advisory group will be to help us work with the TCJJDA on approving our request to improve the boat ramp.

SEPTIC PUMPING

We have been told that sometimes the septic tanks have not been completely pumped so we have asked Corey and Jenny to make sure and pump the tanks down as far as possible this year.

YOUR SUGGESTIONS ARE WELCOME

Please know that we welcome your suggestions on improving your experience at the resort. Contact Karrie and she will pass along your recommendations to the resort advisory committee.

FUTURE COMMUNICATION

Because email is much more efficient, this will be the last “snail mail” letter so please provide Karrie with your email address if you have not already done so. Thank you.

Troy Nelson

Bill Schneider

Karrie Bauman