
RECORD OF PROCEEDINGS

**Minutes of the Special Meeting
of the Board of Directors of the
Red Sky Ranch Metropolitan Districts
August 5, 2013**

The Special Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District, Eagle County, Colorado, was held Monday, August 5, 2013, at 8:00 a.m., in the Red Sky Ranch Sales Center conference room, 0376 Red Sky Road, Wolcott, Eagle County, Colorado.

Attendance

The following Directors were present:

- Michael Connell
- William Simmons
- Karen Braden-Butz
- Frederick Hudoff

The following Director was absent and excused:

- William Kennedy

Also in attendance were:

- Brent Butzin, Esq. White, Bear and Ankele PC (via phone)
- Ken Marchetti, CPA Robertson & Marchetti, PC
- Kathy Lewensten, RMPC Recording Secretary
- Alex Iskenderian, VRDC
- Don Odell, VRDC Operations
- Kyle Griffith, HCMD Director
- Mike Gibbs, HCMD Director
- Sam Sharp, DA Davidson
- Michael McGinnis, Esq. Brownstein Hyatt et al (via phone)

Call to Order

The Special Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District was called to order at 8:00 a.m. by Director Simmons noting a quorum was present.

**Potential
Conflicts**

The Board noted that it has received certain written disclosures of potential conflicts of interest statements from each of the Directors more than seventy-two hours prior to the meeting, indicating the following conflicts: [William M. Kennedy](#) is Director of Land Development for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., all of which have significant business interests within the Districts; [Karen Braden-Butz](#) is the Project Accountant for Vail Resorts Development Co., a subsidiary of the Vail Corporation and

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an indirect operating subsidiary of Vail Resorts, Inc., all of which have significant business interests within the Districts; and [William Simmons](#) is Director of Village Operations for Vail Resorts Management Company, an indirect operating subsidiary of Vail Resorts, Inc., which both have significant business interests within the Districts.

Minutes

The Board reviewed the minutes of the July 15, 2013 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the July 15, 2013 Regular Meeting as presented.

Meeting Schedule

The August 19th regular meeting was cancelled. Today's meeting was continued to Tuesday, August 20th at 8:00 a.m. after discussion of the bond timetable. The next regular meeting is scheduled for Monday, September 16, 2013 at the same time and location.

Public Input

No public input was offered.

Bond Refunding

Mr. Sharp explained the interest rates for the refunding have increased which will likely mean no cost savings. The goal to keep a constant mill levy can still be obtained. Mr. Marchetti reported he had attended the RSRPOA meeting to discuss the bond refunding. After the presentation and discussion the POA consensus was to proceed with the refunding to manage the mill levy rate.

The Bond Parameters Resolution was discussed. The resolution sets the maximum amount, maximum interest rate and related terms that are acceptable to the Board. It directs staff and bond professionals to proceed with the refunding based on meeting the parameters. Mr. Hudoff asked about the terms related to future additional bond issuances and why there was a limit of \$1 million. Mr. Sharp discussed the terms related to the \$1million limit. He explained the debt to assessed valuation ratio noting when this ratio drops below 50% the District would have the ability to issue additional debt if it so chose. He did point out investors will be

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considering the terms of further issuances as part of their risk assessment when they review the offering.

If the Board approves the parameters resolution the next step will be to get the offering documents ready to market. Once marketed the interest rate and closing date will be determined. A closing date that is as close as possible to December 1 will be sought out to minimize any negative arbitrage, Mr. Sharp anticipated 6-8 weeks after pricing will likely be the longest date acceptable to investors. If after pricing the amount, terms and interest rates meet the parameters as approved the sales certificate and the bond purchase agreement will be issued. If the marketing does not meet the parameters the refunding terms offered will be brought back to the Board for consideration. The sources and uses of funds were reviewed. The District will contribute \$190,000 which represents property taxes that were collected in 2013 for debt service payments. Director Hudoff asked who would be signing the bond documents on behalf of the District. It was explained the parameters resolution authorized any Board member to execute necessary documents and also included the record of who voted for or against the resolution. Two signatures are required on most documents.

The Board agreed the maximum amount should be \$7.5 million, the maximum interest rate should be 6.5% and that the limit of \$1 million related to future issuance remain. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Authorizing the Issuance of RSRMD G.O. Refunding Bonds, Series 2013 in the original aggregate principal amount not to exceed \$7.5 million for the purpose of paying the costs of refunding the District's outstanding G.O. Bonds, Series 2003; Establishing the terms and forms of such bonds; and Authorizing the levy of Ad Valorem taxes in connection therewith as discussed subject to final review by District counsel.

Mr. Butzin stated Ms. Lay had provided a draft of the bond purchase agreement which he had received this morning. He will be distributing it to the Board for review and comment.

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Legal Mr. Butzin stated there were no further legal matters for today's meeting.

Financial Statements Mr. Marchetti referred to the preliminary June 2013 financial statements for the District noting these had been reviewed at the July regular meeting.

Accounts Payable Upon motion duly made and seconded, it was unanimously
RESOLVED to approve the accounts payable as presented.

Continuation Upon motion duly made and seconded, it was unanimously
RESOLVED to continue the August 5, 2013 Special Meeting of the Red Sky Ranch Metropolitan District Board of Directors to Tuesday, August 20, 2013 at 8:00 a.m.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Recording Secretary