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# RECORD OF PROCEEDINGS

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## Minutes of the Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan Districts January 19, 2015

The Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District, Eagle County, Colorado, was held Monday, January 19, 2015, at 8:00 a.m., in the conference room at the VR offices located at 135 Benchmark Rd, Avon, Eagle County, Colorado.

### Attendance

#### The following Directors were present:

- Karen Braden-Butz
- William Kennedy
- Michael Connell (via Phone)
- Frederick Hudoff
- William Simmons

#### Also in attendance were:

- Bill Ankele, Esq White, Bear Ankele Tanaka and Waldron (via phone)
- Ken Marchetti, CPA, Marchetti & Weaver LLC
- Kathy Lewensten, Recording Secretary
- Sam Sharp, DA Davidson (via phone)
- Don Odell, VR Operations
- Tim Baker, VR Director of Village Operations

### Call to Order

The Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District was called to order at 8:00 a.m. by Director Kennedy 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; and [Karen Braden-Butz](#) is the Project Accountant 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.

### Minutes

The Board reviewed the minutes of the December 15, 2014 Regular Meeting. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the minutes of the December 15, 2014 Regular Meeting as presented.

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**Public Input** Mr. Baker introduced himself to the Board. He explained he is the new Director of Village Operations for VR and was attending on an informal basis to acquaint himself with the Districts.

**Bond Refinancing** Mr. Ankele reported staff continues to work on matters related to the bond refinancing and the Master IGA. He further discussed the related terms and their relevance to needed disclosure language. It is anticipated it will be possible to develop language for review by Mr. Sharp to determine what the market response might be. Mr. Sharp reported rates remain favorable.

Director Connell asked if it would be possible to borrow over the existing bond amount of \$6.6 million as originally discussed last fall. He pointed out with interest rates as low as they are it would be prudent to obtain the maximum amount of funds noting RSR is still interested in purchasing necessary water rights and will need funding to do so. There has not been any clear indication regarding how VR views the potential sale of water rights to the District. Last year the value was stated to be in the \$1.1 to \$1.3 million range however no progress was made by Mr. Iskenderian in obtaining any terms or proposals related to such a purchase. Mr. Ankele pointed out the Master IGA would need to be reviewed as to how additional funds may fall under the requirements for potential approval by HCMD.

After discussion the priorities of RSR were determined to be, restructuring of the current bonds; purchase of the water rights; and potential debt repayment on the HC bonds. In addition there is the outstanding issue of the subordinate HC Promissory Note and related interest. Director Kennedy offered to approach the appropriate VR personnel to request clarification on RSR matters.

Mr. Marchetti asked if Mr. McGinnis, who has acted as District bond counsel in the past, should be contacted to alert him of the potential of a bond issuance. The matter was tabled.

The Board expressed a keen desire to continue moving forward as expeditiously as possible. No formal action was needed and the matter was tabled.

**Legal** **Capital Improvement Fee Promissory Note Renewal:** Mr. Ankele requested consideration of renewal of the Capital Improvement Fee Promissory Note. The note relates to the capital improvement fee advances made by VR to the District to cover payments related to the outstanding

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principal on the Holland Creek Bonds. All terms will remain the same. Upon motion duly made and seconded it was unanimously

**RESOLVED** to authorize the extension of the maturity date of the Red Sky Ranch Metropolitan District Promissory Note to December 31, 2015 with all other terms remaining unchanged.

### **Financial Statements**

Mr. Marchetti presented the preliminary December 2014 financial statements. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the preliminary December 2014 financial statement as presented.

### **Accounts Payable**

The Accounts Payable listing was reviewed. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the accounts payable list as presented.

### **Future Meetings**

The next regular meeting is scheduled for February 16, 2015 at 8:00 a.m. at the same time and location.

### **Adjourn**

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the January 19, 2015 Regular Meeting of the Red Sky Ranch Metropolitan District Board of Directors.

Respectfully submitted,  
*/s/ Kathy Lewensten*

Kathy Lewensten  
Recording Secretary