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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 October 20, 2014

The Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District, Eagle County, Colorado, was held Monday, October 20, 2014, 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
- Frederick Hudoff

#### The following Director was absent and excused:

- William Simmons

#### Also in attendance were:

- Bill Ankele, White, Bear and Ankele PC (via phone)
- Ken Marchetti, CPA, Marchetti & Weaver LLC
- Kathy Lewensten, Recording Secretary
- Michael Miner, RSR Director of Golf Maintenance
- Don Odell, VR Operations
- Cody O'Kelly, HCMD Director

### 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; [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; 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.

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## Red Sky Ranch Metropolitan District October 20, 2014 Meeting Minutes

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

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

**Public Input** No public input was offered.

**Legal** Mr. Ankele reported no separate legal matters.

**Bond Refinancing** Director Connell began discussion regarding information received prior to the meeting that Vail Resorts was not interested in subordinating debt as necessary to facilitate refinancing. He expressed a desire to better understand the rationale behind the decision. Mr. Marchetti asked if there might be a way to amend the Master IGA that would address VR's concerns. It appears the way the agreement is being interpreted the District would not be able to issue any additional debt now or in the future until all debt is retired. Mr. Ankele responded the issue was raised by bond underwriter's counsel so he was not in a position to offer input until he could review the agreement in detail. Director Hudoff expressed frustration that the agreement ties the ability of RSR to take advantage of lower interest rates. He asked if there may be any other financing options that could be considered. Mr. Marchetti reported the markets are holding steady and offered to contact the underwriters to explore any potential options. Discussion continued with the Board expressing the desire to find a win/win option for both the District and VR needs. The Board directed Mr. Ankele to review the Master IGA as discussed and for Mr. Marchetti to follow up with the underwriters.

**2015 Budget** The Board began discussion on the 2015 budget which was presented as part of the September preliminary financial statements. The public hearing for the 2015 budget was opened.

Mr. Marchetti noted the mill levy will be held constant at 69 mills. The 2015 budget was presented two ways, first without refinancing the debt and second assuming the debt is refinanced. The Board tabled the discussion to the next meeting.

The public hearing was continued to the November 17, 2014 meeting.

**Financial**

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## Red Sky Ranch Metropolitan District October 20, 2014 Meeting Minutes

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

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

**Accounts Payable**

There were no accounts payable invoices for consideration.

**2014 Audit**

Mr. Marchetti referred to the 2014 Audit Engagement Letter from McMahan and Associates which had been included in the packet. The fee for the audit will remain the same. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the 2014 Audit Engagement Letter with McMahan and Associates

**Future Meetings**

The next regular meeting is scheduled for November 17, 2014 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 October 20, 2014 Regular Meeting of the Red Sky Ranch Metropolitan District Board of Directors.

Respectfully submitted,  
*/s/ Kathy Lewensten*

Kathy Lewensten  
Recording Secretary