
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan Districts February 15, 2016

The Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District, Eagle County, Colorado, was held Monday, February 15, 2016, at 9:00 a.m., in the two elk conference room at 137 Benchmark Rd, Avon, Eagle County, Colorado.

Attendance

The following Directors were present:

- Karen Braden-Butz
- Frederick Hudoff
- William Simmons

The following Directors were absent and excused:

- Michael Connell
- William Kennedy

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
- Tim Baker, HCMD Director
- Doug Lovell, HCMD Director
- Graham Frank, VR, VP of Real Estate
- Mike Miner, RSR Director of Golf Operations

Call to Order

The Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District was called to order at 9:00 a.m. by Director Hudoff 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 Financial Analyst for Village Operations at Beaver Creek, 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.

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Minutes The Board reviewed the minutes of the January 18, 2016 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the January 18, 2016 Regular Meeting.

Public Input No public input was offered.

Old Business It was reported the water committee had met to begin further discussions on water matters. At this time the option of HCMD exercising its right to purchase the water rights available under the current lease is being reviewed. VR has offered to lease the additional water rights that may be necessary for build out however the lease purchase option in any new lease would be tied to the payoff of HCMD debt. If HCMD were to purchase the current leased water rights an agreement for delivery from the river to the District will be needed. Director Hudoff asked about the timeline for a decision. He stated the current lease expires in early 2017 and wondered whether the District should consider issuance of bonds in 2016 to fund the purchase of water rights. The committee will continue to meet and work towards stability for the District. It was reported that Mr. Williamson and Mr. Porzak continue to work on the quantity of water rights that will be necessary. The matter was tabled.

New Business Mr. Lovell requested consideration of rescheduling of regular meetings suggesting 9 instead of 12 per year. After a brief discussion it was determined the April HCMD meeting may be cancelled due to quorum issues. The monthly regular meetings will remain scheduled.

Director Hudoff inquired about real estate sales in the District. Mr. Frank stated there are 6 lots remaining in Juniper Trails.

Legal Mr. Ankele stated there was no separate legal report.

Financial Statements Mr. Marchetti reviewed the preliminary January 2016 financial statements. He pointed out the District has budgeted to issue \$1.8 million in bonds late in the year. The District debt to assessed valuation ratio as described in the Master IGA can trigger the need to issue debt. It normally takes approximately 60 to 90 days for a bond issuance so a mid-year decision on water matters would be ideal, with an anticipated issue date around December 1. The net bond proceeds would then be transferred to HCMD. Upon motion duly made and seconded, it was unanimously

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RESOLVED to approve the preliminary January 2016 financial statements as presented.

Accounts Payable Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the accounts payable listing as presented.

Meeting Schedule The next regular meeting is scheduled for Monday, March 21, 2016, at the same time and location.

Adjourn Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the February 15, 2016 Regular Meeting of the Red Sky Ranch Metropolitan District Board of Directors.

Respectfully submitted,
/s/Kathy Lewensten
Recording Secretary