
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan Districts June 16, 2014

The Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District, Eagle County, Colorado, was held Monday, June 16, 2014, at 8:00 a.m., in the conference room at the Red Sky Ranch Sales Center, 0376 Red Sky Road, Wolcott, Eagle County, Colorado.

Attendance

The following Directors were present:

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

Also in attendance were:

- Bill Ankele, White, Bear and Ankele PC (via phone)
- Ken Marchetti, CPA Robertson & Marchetti, PC
- Kathy Lewensten, RMPC Recording Secretary
- Sam Sharp, DA Davidson (via phone)
- Ramsey Romanin, RSR Caretaker
- Michael Miner, RSR Director of Golf Maintenance
- Alex Iskenderian, HCMD Director
- 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 June 18, 2014 Meeting Minutes

Minutes The Board reviewed the minutes of the May 19, 2014 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the May 19, 2014 Regular Meeting as presented.

Public Input No public input was offered.

Legal Mr. Ankele reported there were no legal matters for consideration.

Bond Refinancing Mr. Marchetti reported interest rates have dropped recently so are looking more favorable for a potential debt refunding. Mr. Sharp joined the meeting by phone to discuss potential refunding alternatives that were presented in a hand out to the Board. The models assumed a slight increase in assessed valuation with steady inflationary increases in the future. Discussion of alternatives for projected savings followed. One alternative would be for the District to issue additional debt which could be used to pay down approximately \$3.5 million of principal on the HCMD variable rate bonds. The Board was reminded that the issue of subordination of the HCMD debt that was of concern last year remains unresolved. Mr. Iskenderian expressed interest in having a more definite plan for repayment of the \$8 million of HCMD bonds along with the refunding of \$6.4 million in RSR remaining bonds. If there was a \$3.5 million payment towards the \$8 million HCMD debt there may be a better argument for subordination of that debt. Directors Hudoff and Connell pointed out there are still unresolved financial matters concerning water rights and reserves for major capital expenditures that will need to be taken into account as well. The Board recognized the need to move quickly since interest rates are unpredictable. It was recommended the meeting be continued to allow time for review of the subordination matter.

Mr. Sharp left the meeting at 9:05 a.m.

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

RESOLVED to approve the preliminary May 2014 financial statement as presented.

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**Accounts
Payable**

There were no accounts payable invoices for consideration.

**Meeting
Schedule**

The Board continued the meeting to Monday, July 7th at 3:30 p.m. in the Two Elk conference room in Avon. The next regular meeting is scheduled for July 21, 2014 at the same time and location.

Continuation

Upon motion duly made and seconded, it was unanimously

RESOLVED to continue the June 16, 2014 Regular Meeting of the Red Sky Ranch Metropolitan District Board of Directors to Monday, July 7, 2014 at 3:30 p.m. at the two elk conference room in Avon, CO.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Recording Secretary