
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan Districts July 15, 2013

The Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District, Eagle County, Colorado, was held Monday, July 15, 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 (via phone)
- William Simmons
- Karen Braden-Butz
- Frederick Hudoff

The following Director was absent and excused:

- William Kennedy

Also in attendance were:

- Bill Ankele, Esq. White, Bear and Ankele PC (via phone)
- Ken Marchetti, CPA Robertson & Marchetti, PC
- Kathy Lewensten, RMPC Recording Secretary
- Don Odell, VRDC Operations
- Mike Miner, RSR Director of Golf Maintenance
- Kyle Griffith, HCMD Director
- Ramsey Romanin, RSR Caretaker
- Mike Gibbs, HCMD Director
- Sam Sharp, DA Davidson (via phone)

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 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 June 17, 2013 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the June 17, 2013 Regular Meeting as presented.

Meeting Schedule

The next regular meeting is scheduled for Monday, August 19, 2013 at the same time and location.

Public Input

Director Connell reported he, Mr. Marchetti and Mr. Sharp had discussed contacting current bondholders to see if any alternatives exist for restructuring the current bonds. It was found there are multiple bondholders due to the original bonds being offered in \$5,000 increments. The logistics and costs to determine who the bondholders are outweigh any benefit to this alternative. It was noted this step was taken and the District is expected to move forward with the refunding depending on the terms.

Bond Refunding

The Board discussed the changing interest rates for the bond refunding. It was noted interest rates have continued to move up. As the interest rates increase the present value savings decrease. Mr. Sharp asked if present value savings or a constant mill levy was more important and at what level the refunding was no longer desirable. Director Connell stated he felt present value savings was important pointing out if there was a cost to refunding or a negative present value that it may not make sense to refund the bonds. He stated if the mill levy needed to increase to cover the current debt service the decrease in AV has already lowered property taxes so a slight increase in the mill levy may still not increase property taxes paid. Director Hudoff stated he felt having a constant mill levy was more important but would still watch the present value savings. He stated the property owners had been told the mill levy would not change after the increase for operations in

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2012. The Board discussed drafting of the necessary documents with the understanding they could be held while watching interest rates and present value savings to see when to go to market. Mr. Sharp stated this was an option. Mr. Marchetti suggested the pros/cons be developed for various options that Mr. Sharp has prepared including the impact on the mill levy if no refunding is done. The Board requested Mr. Marchetti provide the information to the RSRPOA meeting next Tuesday for the property owners input.

The Board agreed that moving forward with the preparation of documents for a long term refunding for the amount of the current bonds should proceed noting the volatility of interest rates may work against the refunding if it does not make economic sense when it is priced. Upon motion duly made and seconded, it was unanimously

RESOLVED to direct preparation of documents for refunding of the current debt.

The draft Bond Parameters Resolution had been included in the packet for review, no action was taken. The Board stated there may be a need for a special meeting if action is needed on bond matters before the next regular meeting on August 19th.

Legal

Director Hudoff asked if any feedback had been received from VR regarding the summary of agreements and obligations that had been presented at the last meeting and provided to VR. Mr. Ankele replied he had not received any comments. Director Connell stated he is concerned there may not be a mutual understanding of the terms and obligations and would be more comfortable if there was confirmation from VR. He pointed out silence from VR does not mean VR is in sync with the District concerning the matter. He noted the District took the first step in paying for a summary of the obligations. The Board asked that VR be notified that the District is expecting acknowledgement and confirmation. Director Simmons will follow up with VR.

Financial Statements

Mr. Marchetti presented the preliminary June 2013 financial statements for the District. Upon motion duly made and seconded, it was unanimously

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RESOLVED to approve the preliminary June 2013 financial statement as presented.

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

RESOLVED to approve the accounts payable as presented.

Adjournment Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the July 15, 2013 Regular Meeting of the Red Sky Ranch Metropolitan District Board of Directors.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Recording Secretary