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# RECORD OF PROCEEDINGS

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## Minutes of the Joint Special Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District January 25, 2018

The Joint Special Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held January 25, 2018 at 9:00 a.m., in the Crystal Peak Lodge located at 1891 Ski Hill Rd, Breckenridge, Summit County, Colorado.

### Attendance

**The following Directors were present and acting:**

**Alpine:**

Norm Helm  
Gabrielle Keown (via telephone)  
Jeff Zimmerman

**Breckenridge Mountain:**

Norm Helm  
Gabrielle Keown (via telephone)  
Jeff Zimmerman

**The following Directors were absent:**

**Alpine:**

David Habermas

**Breckenridge Mountain:**

David Habermas

**Also in attendance were:**

- Jeff Lifgren, Vail Resorts
- Ken Marchetti, Marchetti & Weaver LLC (via telephone)
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Bill Ankele, White Bear Ankele Tanaka & Waldron PC (via telephone)
- Trish Harris, White Bear Ankele Tanaka & Waldron PC Jesse
- Don Leinweber, Civil Insight

### Call to Order

Director Zimmerman called roll for the joint special meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District meeting noting there was no quorum and the meeting would be designated a work session..

### Potential Conflicts

The Boards noted that they have received certain written disclosures of potential conflict of interest statements from each of the Directors more than seventy-two hours prior to the meeting, indicating the following conflicts: **Jeff Zimmerman** is **Senior Director of Operations for Vail Management Co.**, a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; **David Habermas** is a Financial Analyst for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; **Norm Helm** is Director of Association Management for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc.; **Gabrielle Keown** is Senior

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## Alpine and Breckenridge Mountain Metropolitan Districts January 25, 2018 Meeting Minutes

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Director of Real Estate Development for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc.

### **Agenda**

Director Zimmerman reviewed the following items listed on the agenda could not be acted on during the work session and would be deferred to the next meeting: Consider Accounts Payable list, Minutes from October 25, 2017, Appointment of Director, Consideration of 24-hour posting locations.

### **Financial Statements & Construction Budget**

Mr. Marchetti reviewed the preliminary financial statements for Breckenridge Mountain and Alpine Metropolitan Districts ending December 31, 2017 noting that the all of year end entries had not been completed. Mr. Marchetti reported that general construction came in about \$600,000 under budget and that amount would be carried forward into the 2018 budget. All other construction expenses came in as anticipated. Director Zimmerman reviewed the Project Update distributed by OAC via email prior to the meeting noting that the change orders would need to be reviewed in more detail pending receipt of more information after the 2018 preconstruction and mobilization meeting with PCL in February.

Mr. Leinweber inquired if there was a protocol for change orders in the bid documents or construction contract and requested an opinion from District counsel on how to handle the change orders submitted by PCL Construction. Ms. Harris said she would review the bid and contract for any change order procedures. Director Zimmerman said he had spoken with OAC about the need to have any pending change orders finalized before 2018 construction starts.

### **Accounts Payable**

Ms. Johnston reviewed the Accounts Payable list included in the meeting packet with no questions from the Directors present.

### **Replacement Reserve Study**

Director Helm reported that he would follow up with Steve Tice.

### **Stables Storm Sewer Maintenance**

Director Zimmerman reviewed the Memorandum and Maintenance Plan letter from Breckenridge Grand Vacations (BGV) to the District included in the packet indicating that the Town of Breckenridge needed the letter as part of the certification of occupancy process. Mr. Leinweber disclosed that he does design work for both the District and BGV. Mr. Leinweber explained the changes that were made to the existing storm sewer drainage system stating that there was no change to the drainage or runoff collected.

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## Alpine and Breckenridge Mountain Metropolitan Districts January 25, 2018 Meeting Minutes

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Discussion continued around past and current maintenance of the storm sewer system by the Breckenridge Mountain Master Association (BMMA) via an agreement currently in place between the BMMA and the District and the ownership of the stables parking lot land. Ms. Harris said she would review the current agreement to verify that the updated storm sewer area is included in the earlier easement and agreement. Further discussion was had about responsibility of other stables parking structure maintenance such as the boiler, striping, etc.

Following discussion and given the time sensitivity of the issue, Director Zimmerman was instructed to sign the agreement contingent on District counsel's research for ratification at the next meeting.

### **Ski Hill Road Project Update**

Mr. Leinweber reviewed the Schedule and Budget Update report from OAC noting the milestones completed during 2017 including that all Xcel Energy work was complete resulting in great savings to the District. Mr. Leinweber reviewed the pending change orders noting the differences between his estimates and what was submitted by PCL. Mr. Leinweber also called out several other items including that the sidewalks and cuts do not meet ADA requirements and are crumbling. He also noted that the power conduit was installed and ready but BGV may not pull the fiber. Mr. Leinweber stated that 2018 construction would include the storm sewer, retaining wall finishes, and permanent paving of the road.

Director Zimmerman and Mr. Leinweber reported that the public and employees were walking through the construction site despite signage. Director Zimmerman requested that more effort be made to close the construction zone gates and fencing and educate people to walk around the construction site.

### **Future Meetings**

Ms. Johnston confirmed that the next meeting was scheduled for Thursday February 22, 2018 at 9:00 am at the Crystal Peal Lodge.

### **Adjournment**

Director Zimmerman terminated the work session of Alpine and Breckenridge Mountain Metropolitan Districts this 25th day of January 2018.

Respectfully submitted,

*Beth Johnston*

Beth Johnston  
Recording Secretary

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# RECORD OF PROCEEDINGS

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**Minutes of the Joint Regular Meeting of the  
Boards of Directors of  
Alpine Metropolitan District and Breckenridge Mountain Metropolitan District  
February 22, 2018**

The Joint Regular Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held February 22, 2018 at 9:00 a.m., in the Crystal Peak Lodge located at 1891 Ski Hill Rd, Breckenridge, Summit County, Colorado.

**Attendance**

**The following Directors were present and acting:**

**Alpine:**

David Habermas  
Norm Helm  
Gabrielle Keown  
Jeff Zimmerman

**Breckenridge Mountain:**

David Habermas  
Norm Helm  
Gabrielle Keown  
Jeff Zimmerman

**Also in attendance were:**

- Jeff Lifgren, Vail Resorts
- Ken Marchetti, Marchetti & Weaver LLC (via telephone)
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Trish Harris, White Bear Ankele Tanaka & Waldron PC Jesse
- Jesse Meryhew, OAC

**Call to Order**

Director Zimmerman called roll for the joint regular meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District meeting noting a quorum was present.

**Potential  
Conflicts**

The Boards noted that they have received certain written disclosures of potential conflict of interest statements from each of the Directors more than seventy-two hours prior to the meeting, indicating the following conflicts: Jeff Zimmerman is Senior Director of Operations for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; David Habermas is a Financial Analyst for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; Norm Helm is Director of Association Management for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc.; Gabrielle Keown is Senior Director of Real Estate Development for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc.

**Agenda**

Director Zimmerman requested that Broken Conduits be added to the agenda under Update on Peak 8 804/Ski Hill Rd Construction project.

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## Alpine and Breckenridge Mountain Metropolitan Districts February 22, 2018 Meeting Minutes

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### Minutes

The Board reviewed the minutes from the October 16, 2017 Regular meeting and the January 25, 2018 work session. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the minutes of the October 16, 2017 Joint Regular Meeting as presented in the Board packet, and

**FURTHER RESOLVED** to approve the minutes of the January 25, 2018 work session with an update to the title of Jeffrey Zimmerman in the Potential Conflicts section.

### Appointment of Director

Ms. Harris stated that notice of the Board seat vacancy had been published as required following the resignation of Director Shimanowitz in December 2017. There being no other interested candidates, Mr. Lifgren was nominated to fill the positions vacated by Mr. Shimanowitz until the next regular election of the Districts to be held in May 2018. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to appoint Jeffrey Lifgren to fill the vacancies on the Alpine and Breckenridge Mountain Metro Districts Boards.

### Replacement Reserve Study

Director Helm reported that Steve Tice was not interested in completing the Reserve Study due to his current heavy workload. Mr. Marchetti noted that the study was not urgent but important on a long-term basis. Director Zimmerman suggested that Civil Insight be asked to provide a proposal if interested. Mr. Meryhew noted that OAC completed reserve studies as well and may be interested. With the pending construction during the summer, the Board tabled this item until after January 2019.

### Stables Storm Sewer Maintenance

Director Zimmerman gave the background for the Stables Parking Lot Structure Water Quality Maintenance Plan included in the Board packet. Director Zimmerman reported he is working with BGV on an agreement stating that BGV would be responsible for the cost of all maintenance on the stables parking structure, including painting, striping, boiler, etc. Once the maintenance agreement is completed, the District would accept the Water Quality Maintenance Plan with the Town of Breckenridge. Ms. Harris reported that a new easement would be required for a small area to include the vault in the far east side of the lot since it was not included in the Master Easement. Ms. Harris also reported that the District's maintenance agreement with the BMMA would need to be updated to

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## Alpine and Breckenridge Mountain Metropolitan Districts February 22, 2018 Meeting Minutes

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include the stable lot parking structure. After further discussion, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Stables Parking Lot Structure Water Quality Maintenance Plan pending the final easement to include the vault not located in the Master Easement and the Breckenridge Grand Vacations Stables Parking Lot Structure maintenance agreement.

### **Ski Hill Road Project Update**

Mr. Meryhew reported that the preconstruction meeting with PCL was moved to mid-April so that they could assign a new superintendent to the Project. Construction was still set to begin at the end of April and conclude by the end of October, although OAC was trying to accelerate the schedule for an August completion. Mr. Meryhew reviewed the January pay application and noted the the project was 71% completed to date. Mr. Meryhew then reviewed the outstanding change orders noting that all of the change orders should be ready for Board review by early March. Mr. Meryhew reviewed the current work being done in anticipation of the Project start and changes requested by the Town of Breckenridge. Mr. Meryhew stated that Xcel Energy would provide a final easement once the crew could walk the site free of snow.

Mr. Meryhew reported that Xcel Energy was not going to give a credit to the District for the damaged and broken conduits. PCL agreed to fix the conduits however they assert that they did not agree to cover the cost for the work. Director Zimmerman requested this item be carried forward so that it is not forgotten until it can be resolved.

Mr. Meryhew left at 9:45 a.m.

### **Posting Location**

Ms. Harris reviewed the 24-hour posting locations for Alpine and Breckenridge Mountain Metro Districts. After discussion, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Resolution designating the Alpine Metropolitan District 24-hour posting location as a tree in the northeast corner of the District; and

**FURTHER RESOLVED** to approve the Resolution designating the Breckenridge Mountain Metropolitan District 24-hour posting location as the entrance to Timber Trail, Breckenridge.

### **Financial**

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## Alpine and Breckenridge Mountain Metropolitan Districts February 22, 2018 Meeting Minutes

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### Statements

Mr. Marchetti reviewed the unaudited financial statements for Breckenridge Mountain and Alpine Metropolitan Districts ending December 31, 2017. Mr. Marchetti stated that the District's assessed valuation was expected to stay consist until 2020 at which time the Residential Assessment Rate was expected to decrease from 7.2% to 6.1% thereby producing a flat to lower assessed value in future years. Mr. Marchetti noted that the 2017 expenditures for construction where less than had been projected so the difference was carried forward to the 2018 budget.

Mr. Marchetti reported that BGV submitted a reimbursement request for design costs however the detail provided is insufficient to determine what costs are District specific so more information has been requested.

### Accounts Payable

Ms. Johnston reviewed the Accounts Payable list included in the meeting packet and, upon motion duly made and seconded, it was unanimously,

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

### Future Meetings

Ms. Johnston confirmed that the next meeting was scheduled for Thursday April 26, 2018 at 9:00 am at the Crystal Peal Lodge.

### Adjournment

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the Joint Regular Meeting of Alpine and Breckenridge Mountain Metropolitan Districts Board of Directors this 22nd day of February, 2018.

Respectfully submitted,



Beth Johnston  
Recording Secretary

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# RECORD OF PROCEEDINGS

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**Minutes of the Joint Regular Meeting of the  
Boards of Directors of  
Alpine Metropolitan District and Breckenridge Mountain Metropolitan District  
April 26, 2018**

The Joint Regular Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held April 26, 2018 at 9:00 a.m., in the Crystal Peak Lodge located at 1891 Ski Hill Rd, Breckenridge, Summit County, Colorado.

**Attendance**

**The following Directors were present and acting:**

**Alpine:**

David Habermas  
Jeff Lifgren  
Gabrielle Keown (via telephone)  
Jeff Zimmerman

**Breckenridge Mountain:**

David Habermas  
Jeff Lifgren  
Gabrielle Keown (via telephone)  
Jeff Zimmerman

**The following Directors were absent:**

**Alpine:**

Norm Helm

**Breckenridge Mountain:**

Norm Helm

**Also in attendance were:**

- Ken Marchetti, Marchetti & Weaver LLC (via telephone)
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Trish Harris, White Bear Ankele Tanaka & Waldron PC
- Bill Ankele, White Bear Ankele Tanaka & Waldron PC (via telephone)
- Jesse Meryhew, OAC (via telephone)
- Erik Peterson, OAC (via telephone)
- Don Leinweber, Civil Insight (via telephone)

**Call to Order**

Director Zimmerman called roll for the joint regular meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District meeting noting a quorum was present.

**Potential  
Conflicts**

The Boards noted that they have received certain written disclosures of potential conflict of interest statements from each of the Directors more than seventy-two hours prior to the meeting, indicating the following conflicts: Jeff Zimmerman is Senior Director of Operations for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; David Habermas is a Financial Analyst for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; Norm Helm is Director of Association Management for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc.; Gabrielle Keown is Senior



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## Alpine and Breckenridge Mountain Metropolitan Districts April 26, 2018 Meeting Minutes

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Director of Real Estate Development for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc. Jeff Lifgren is Director of Ski Services for Breckenridge Ski Company, a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts.

**Agenda** There were no changes to the agenda

**Minutes** The Board reviewed the minutes from the February 22, 2018 Regular meeting. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the minutes of the February 22, 2018 Joint Regular Meeting as presented in the Board packet.

**Ski Hill Road  
Project Update**

Mr. Meryhew gave a recap of the 2017 Ski Hill Road construction project stating that the budget was on track going into the 2018 construction phase 2. There was a preconstruction meeting in early April and PCL introduced their new team, including a new onsite manager and superintendent. Mr. Meryhew reviewed the construction schedule of major items with mobilization starting the final week of April and project completion in mid-August. Mr. Meryhew reviewed the budget stating that the project was approximately 70% complete with an anticipated positive owner contingency of \$150,000.

Mr. Meryhew and Mr. Leinweber reviewed the addendum #10 that consisted of requested changes that would remove some items from the project scope. Additional discussion was had on other possible design changes at the Sprung Structure, the bus drop off and changes requested by the Town of Breckenridge and BGV. Mr. Leinweber cautioned that several of the requested changes he is receiving are not directly related to the Ski Hill Road project and that the District should not be paying for them. Mr. Leinweber advised the Board that he was tracking his time for these requests and changes separately so they could be billed to the appropriate entity if the District desired. Mr. Leinweber also advised the Board that he would not be changing the District's project drawings until firm pricing on the changes was received due to the Contractor requesting the changes to facilitate their timeline but then charging the District for the change.

Mr. Meryhew and Mr. Leinweber reviewed the PCL Construction Change Order #5 that was included in the packet. After review and discussion, and upon motion duly made and seconded, it was unanimously

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## Alpine and Breckenridge Mountain Metropolitan Districts April 26, 2018 Meeting Minutes

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**RESOLVED** to approve PCL Construction Change Order #5 as submitted.

Mr. Meryhew reviewed the phase 1 retainage release request included in the Board packet, noting that once the change orders were approved by the Board, the contract allowed for release of the retainage. General discussion on the pay out of the Phase 1 retainage and the final retainage was had. Director Zimmerman and Ms. Harris reviewed the construction contract for direction on the retainage release. The Board determined that the retainage amount requested for Phase 1 was ok but that it would not be approved for release until a meeting with PCL was had to clarify the terms of the Phase 1 and final retainage releases.

Mr. Meryhew reviewed the project design with the Board noting changes and requests that had been received from Town of Breckenridge. The Board requested that Mr. Meryhew have a meeting with the Town to outline the additional costs their requests are having on the District. Mr. Meryhew reported that all of the permanent sidewalks installed were set to be surveyed for ADA compliance and any sidewalks not in compliance would be corrected.

Mr. Meryhew stated that the monthly project coordination meetings would begin in May and be held at 10:00 am on the second Thursday of each month until project completion.

Mr. Meryhew, Mr. Peterson, and Mr. Leinweber left the meeting at 10:20 a.m.

### **Stables Parking Lot Water Quality Maintenance Plan**

Director Zimmerman reported that the requested updates were made to the Plan and that all parties had signed off on the final Plan. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to ratify the Stables Parking Lot Structure Water Quality Maintenance Plan.

### **Storm Drainage Easement**

Ms. Harris reviewed the Storm Drainage Easement Agreement explaining that a property description for the easement was still pending. The Board directed Ms. Harris to contact Chris Noraka with Breckenridge Grand Vacations for the legal description. Ms. Harris also noted that the Breckenridge Mountain Master Association Agreement would need to be updated to include the new areas as well. The Board tabled this item for consideration of both agreements at the May meeting.

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## Alpine and Breckenridge Mountain Metropolitan Districts April 26, 2018 Meeting Minutes

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**Notice to Proceed** Ms. Harris reviewed the Notice to Proceed Phase 2 for the Ski Hill Road Construction project noting that the date would need to be corrected from April 26, 2017 to April 26, 2018. After review, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Notice to Proceed Phase 2 as of April 26, 2018.

**Financial  
Statements**

Mr. Marchetti reviewed the unaudited financial statements for Breckenridge Mountain and Alpine Metropolitan Districts ending March 31, 2018 stating that adequate funds for the project completion were projected. Ms. Johnston reviewed a phone call with Graham Frank from BGV and reported that Mr. Frank was planning to attend the May board meeting to present the ice rink and escalator projects.

**Accounts Payable**

Ms. Johnston reviewed the Accounts Payable list included in the meeting packet and, upon motion duly made and seconded, it was unanimously,

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

**Future Meetings**

Due to scheduling conflicts, the regular meeting for May 30 was cancelled and a special meeting was scheduled for Thursday May 24, 2018 at 9:00 am at the Crystal Peal Lodge.

**Adjournment**

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the Joint Regular Meeting of Alpine and Breckenridge Mountain Metropolitan Districts Board of Directors this 26th day of April, 2018.

Respectfully submitted,



Beth Johnston  
Recording Secretary

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# RECORD OF PROCEEDINGS

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## Minutes of the Joint Regular Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District June 28, 2018

The Joint Regular Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held June 28, 2018 at 9:00 a.m., in the Crystal Peak Lodge located at 1891 Ski Hill Rd, Breckenridge, Summit County, Colorado.

### Attendance

**The following Directors were present and acting:**

**Alpine:**

Jeff Zimmerman  
Norm Helm  
Gabrielle Keown  
Chris Gersbach

**Breckenridge Mountain:**

Jeff Zimmerman  
Norm Helm  
Gabrielle Keown  
Chris Gersbach

**The following Director were absent:**

**Alpine:**

Jeff Lifgren

**Breckenridge Mountain:**

Jeff Lifgren

**Also in attendance were:**

- Ken Marchetti, Marchetti & Weaver LLC
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Trish Harris, White Bear Ankele Tanaka & Waldron PC
- Bill Ankele, White Bear Ankele Tanaka & Waldron PC
- Jesse Meryhew, OAC
- Don Leinweber, Civil Insight
- Derek D'Ardenne, PCL Construction
- Brent Millspaugh, Eide Bailly LLP
- Graham Frank, Breckenridge Grand Vacations (BGV)
- Deb Norton, Breckenridge Grand Vacations (BGV)
- Jason Bretz, Breckenridge Grand Vacations (BGV)

### Call to Order

Director Zimmerman called roll for the joint regular meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District meeting noting a quorum was present.

### Potential Conflicts

The Boards noted that they have received certain written disclosures of potential conflict of interest statements from each of the Directors more than seventy-two hours prior to the meeting, indicating the following conflicts: Jeff Zimmerman is Senior Director of Mountain Operations for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; Norm Helm is Director of Association Management for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary

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## Alpine and Breckenridge Mountain Metropolitan Districts June 28, 2018 Meeting Minutes

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of Vail Resorts, Inc. which all have significant business interests within the Districts; Gabrielle Keown is Senior Director of Real Estate Development for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc. which all have significant business interests within the Districts; Jeff Lifgren is Director of Ski Services for Breckenridge Ski Company, a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; Chris Gersbach is General Manager of One Ski Hill Pace and Crystal Peak Lodge for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts.

**Agenda** There were no changes to the agenda.

**2017 Audits** Mr. Millspaugh presented the draft 2017 audited financial statements and management letters issued for both Breckenridge Mountain and Alpine Metropolitan Districts. After review and discussion, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the 2017 Audited Financial Statements for Breckenridge Mountain and Alpine Metropolitan Districts as presented.

Mr. Millspaugh left the meeting at 9:30 am

### **BGV**

#### **Presentation**

Mr. Frank and Ms. Norton distributed hard copies of the presentation to meeting attendees and Ms. Johnston confirmed that the presentation had been emailed prior to the meeting. Mr. Frank stated that the purpose of the presentation was to review the Ice Rink, Escalator, and ADA lift projects to the Districts and request funding for the projects. Mr. Marchetti noted that discussion should also address who would be completing the construction of the facilities and responsibility for the on-going maintenance and operations. Mr. Frank presented the projects and estimated operations budgets. General discussion ensued on the construction and timing, use, operations and maintenance of the facilities and the next steps required to move the projects and requested funding forward.

Mr. Frank stated that BGV would be interested in operating the Ice Rink and discussion followed on who would be responsible for the maintenance and future improvements of the Escalators and ADA lift. The Board asked Mr. Frank to present a draft agreement for BGV assuming operations of the Ice Rink for their consideration.

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## Alpine and Breckenridge Mountain Metropolitan Districts June 28, 2018 Meeting Minutes

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Mr. Graham stated that the projects had already been started with materials and equipment on order. Mr. Ankele requested more detailed information on the project, locations of the facilities, and bid process. Mr. Frank reviewed that the estimated project cost was more than what the District had available. Mr. Marchetti and Mr. Ankele stated that if the District took over construction of the facilities, a funding agreement including adequate cash in the bank to cover the full construction costs would need to be in place before the District could take over the projects.

Mr. Leinweber, Mr. Graham, Ms. Norton, and Mr. Bretz left the meeting at 10:40 am

**PCL Retainage** Mr. Meryhew reviewed the retainage release provisions in the construction contract with the Board stating that PCL was requesting release of retainage for work completed in 2017. After discussion, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve release of construction retainage in the amount of \$122,722.10.

Mr. D'Ardenne left the meeting at 10:50 am.

### **Appointment of Director**

Ms. Harris stated that notice of the Board seat vacancy had been published as required following the resignation of Director Habermas in May 2018. There being no other interested candidates, Mr. Gersbach was nominated to fill the positions vacated by Director Habermas until the next regular election of the Districts to be held in May 2020. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to appoint Chris Gersbach to fill the vacancies on the Alpine and Breckenridge Mountain Metro Districts Boards.

Director Zimmerman, President of the Boards of the Alpine and Breckenridge Mountain Metropolitan Districts, administered the Oaths of Office to Director Gersbach. Ms. Harris confirmed that conflicts of interest statements had been filed with the Colorado Secretary of State prior to the meeting in accordance with State statute. Director Gersbach joined the meeting as an acting Director.

### **Election of Officers**

After discussion, and by motion duly made and seconded, it was unanimously

**RESOLVED** to elect the following officers:

Jeff Zimmerman	President/Chairman
Chris Gersbach	Treasurer/Secretary

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Norm Helm	Vice President/Asst Secretary/Asst Treas
Gabriel Keown	Vice President/Asst Secretary/Asst Treas
Jeff Lifgren	Vice President/Asst Secretary/Asst Treas

The Board directed Ms. Johnston to change bank account signers based on the recent appointments and election of officers.

### **Ski Hill Road Project Update**

Mr. Meryhew reviewed the Ski Hill Road project progress to date stating that the project was moving as expected at 73% complete and was anticipated to be fully completed in August with punch list items completed in early September. Mr. Meryhew distributed an updated change order and owner contingency list. Mr. Meryhew reviewed the pending change orders including OAC Change Order #1 and PCL Construction Change Orders #6 for bringing guardrails to new CDOT standards, #7 for Addendum 10 changes, #8 for Addendum 11 changes, and #9 to provide permanent power at the crosswalk beacons, as well as PCL Construction Change Order #10 for storm sewer piping revisions that was distributed at the meeting.

Director Zimmerman and Mr. Meryhew reviewed with the Board the new temporary conditions approved by the Town of Breckenridge for the Bus Drop Off stating that the temporary conditions would be demolished and brought to new final conditions by BGV in 2019. It was also noted that the Town of Breckenridge was requiring the District to provide a bond to ensure that the bus drop off was brought to the original approved project plan conditions, at an estimated additional cost to the District of \$180,000, if BGV failed to complete the new final conditions in 2019. General discussion ensued and the Board directed OAC Management to obtain an agreement from BGV to ensure final conditions of the bus drop off would be met and, if not, that BGV would absorb the full cost of any changes to the road as the Ski Hill Road Project would be complete.

After review and discussion, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve PCL Construction Change Orders #s 6, 7, 8, 9, and 10 as submitted; and

**FURTHER RESOLVED** to approve OAC Management Change Order #1 as submitted.

Ms. Keown left the meeting at 11:00 am and Mr. Meryhew left the meeting at 11:35 a.m.

### **Minutes**

The Board reviewed the minutes included in the board packet and upon motion duly made and seconded, it was unanimously

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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts June 28, 2018 Meeting Minutes

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**RESOLVED** to approve the minutes of the April 28, 2018 Joint Regular Meeting as presented.

### **Temp Construction Staging License Agreement**

Ms. Harris reviewed the background of the Temporary Construction Staging License Agreement with Vail Summit Resorts, Inc. noting that the agreement's original termination date of June 1, 2018 needed to be extended to allow staging through the end of the project. After discussion and review and, upon motion duly made and seconded, it was unanimously

**RESOLVED** to ratify the First Amendment to the Temporary Construction Staging License Agreement between Alpine Metropolitan District and Vail Summit Resorts, Inc.

### **Storm Drainage Easement**

Ms. Harris and Director Zimmerman reviewed the Storm Drainage Easement Agreement with Vail Summit Resorts and Breckenridge Mountain Master Association stating that the easements give access for the District to maintain and repair the storm drainage system. After review and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Storm Drainage Easement Agreement with Vail Summit Resorts and Breckenridge Mountain Master Association.

### **Amend & Restated Drainage Facilities Maint and Operations Agreement**

Ms. Harris reviewed the background of the Facilities Maintenance and Operations Agreement that allows Breckenridge Mountain Master Association to maintain the storm sewer system for the District and any capital improvements were the responsibility of the District. Ms. Harris noted that the First Amendment would add the vaults to the agreement. Director Helm reported that the Breckenridge Mountain Master Association had reviewed the Amendment and did not have any concerns. After review, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the First Amendment to the Amended and Restated Drainage Facilities Maintenance and Operation Agreement.

### **2017 Joint Annual Report**

Ms. Harris reviewed the 2017 Joint Report presented in the Board packet noting that the report lists all major activities of the Districts. It was requested that Section 6 be updated to reflect that the 2017 Audits had been



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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts June 28, 2018 Meeting Minutes

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completed since they were approved by the Board earlier in the meeting. After review and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Alpine and Breckenridge Mountain Metropolitan Districts 2017 Joint Annual Report with the change to the 2017 Audits section 6 as noted above.

**Improvement Agrmt  
with Town of  
Breckenridge**

Ms. Harris noted that the Town of Breckenridge asked that the SIA Agreement be extended through 2019 to coincide with the changes to the bus drop off. The Board tabled discussion pending discussions with BGV on a funding guarantee.

**Financial  
Statements**

Mr. Marchetti reviewed the unaudited financial statements for Breckenridge Mountain and Alpine Metropolitan Districts ending May 31.

**Accounts Payable**

Ms. Johnston reviewed the Accounts Payable list included in the meeting packet and, upon motion duly made and seconded, it was unanimously,

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

**Future Meetings**

Due to scheduling conflicts, the regular meeting for July 26 was cancelled and a special meeting will be scheduled for Thursday July 19 or August 2, 2018 at 9:00 am at the Crystal Peal Lodge.

**Adjournment**

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the Joint Regular Meeting of Alpine and Breckenridge Mountain Metropolitan Districts Board of Directors this 28th day of June, 2018.

Respectfully submitted,  
*Beth Johnston*  
Beth Johnston  
Recording Secretary

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# RECORD OF PROCEEDINGS

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**Minutes of the Joint Special Meeting of the  
Boards of Directors of  
Alpine Metropolitan District and Breckenridge Mountain Metropolitan District  
August 2, 2018**

The Joint Special Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held August 2, 2018 at 9:00 a.m., in the Crystal Peak Lodge located at 1891 Ski Hill Rd, Breckenridge, Summit County, Colorado.

**Attendance**

**The following Directors were present and acting:**

**Alpine:**

Jeff Zimmerman  
Norm Helm  
Gabrielle Keown (via phone)  
Jeff Lifgren  
Chris Gersbach

**Breckenridge Mountain:**

Jeff Zimmerman  
Norm Helm  
Gabrielle Keown (via Phone)  
Jeff Lifgren  
Chris Gersbach

**Also in attendance were:**

- Ken Marchetti, Marchetti & Weaver LLC (via phone)
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Trish Harris, White Bear Ankele Tanaka & Waldron PC
- Bill Ankele, White Bear Ankele Tanaka & Waldron PC (via phone)
- Jesse Meryhew, OAC Management
- Erik Peterson, OAC Management
- Don Leinweber, Civil Insight (arrived 9:40 am)
- Bob Moore, visitor
- Emily Schweiss, visitor

**Call to Order**

Director Zimmerman called roll for the joint Special meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District meeting noting a quorum was present.

**Potential  
Conflicts**

The Boards noted that they have received certain written disclosures of potential conflict of interest statements from each of the Directors more than seventy-two hours prior to the meeting, indicating the following conflicts: Jeff Zimmerman is Senior Director of Mountain Operations for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; Norm Helm is Director of Association Management for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc. which all have significant business interests within the Districts; Gabrielle Keown is Senior Director of Real Estate Development for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc. which all have significant business interests within the Districts; Jeff

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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts August 2, 2018 Meeting Minutes

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Lifgren is Director of Ski Services for Breckenridge Ski Company, a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; Chris Gersbach is General Manager of One Ski Hill Pace and Crystal Peak Lodge for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts.

**Agenda** There were no changes to the agenda.

**Public Input** There was no public input.

**Ski Hill Road  
Project Update**

Mr. Meryhew reviewed the Ski Hill Road project progress to date stating that the project was moving as expected with road and sidewalk anticipated to be complete by end of August and shotcrete complete by mid-September. Mr. Meryhew reviewed the budget and the Owner Contingency Log stating that all construction change orders were approved and no further change orders were expected.

Discussion turned to the revised bus drop. Ms. Harris and Mr. Meryhew reported that BGV was not willing to escrow funds with the District in the unlikely event the final bus drop conditions were not completed by BGV and the District would need to return the area to the original approved condition as required by the Town of Breckenridge. Several options by the District were discussed including a funding agreement with no escrow and holding reimbursement requested by BGV on future projects until the bus drop final conditions are complete.

Mr. Meryhew reported that Vail Resorts requested an as-built survey from Xcel since some of the infrastructure was installed outside of the easements. Mr. Meryhew confirmed that Kumar and Associates were on site monitoring and testing the construction. Mr. Meryhew distributed pictures showing cosmetic faults on the retaining wall explaining that the wall was structurally sound and technically within specifications of the plans. The Board discussed potential options to fix the visual imperfections and requested that OAC work with the contractor, preferring the wall to be encased in shotcrete to hide the imperfections however a patch and replacement with extended warranty would be acceptable.

Discussion turned to the Ice Rink/Escalator/ADA Lift Project noting that bid information had been received but nothing additional on the proposed operating or maintenance agreement. Ms. Johnston reported that BGV sent a request the previous day to be included on a future District meeting agenda

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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts August 2, 2018 Meeting Minutes

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to further discuss the project and would be added to the August meeting agenda. Discussion continued around which entity is responsible for maintenance of the new improvements. Mr. Marchetti suggested that the District would be responsible since it would be the owner of the assets. Additional discussion revolved around the potential involvement of OAC as owner's representative for the District to oversee the Project construction.

Mr. Moore and Ms. Schweiss left the meeting at 9:30 a.m.

Director Keown, Mr. Leinweber, Mr. Erikson, and Mr. Meryhew left the meeting at 10:05 a.m.

**Minutes** The Board reviewed the minutes included in the board packet and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the minutes of the June 28, 2018 Joint Regular Meeting as presented.

**Legal Agreements** Ms. Harris reviewed the Second Amendment to the Improvement Agreement with the Town of Breckenridge and the Peak 8 Properties Agreement for Payment of Bus Stop Costs included in the Board packet noting the discussions earlier during the Ski Hill Road Project update. The Board tabled further discussion and action on the Agreements pending further discussions with BGV.

**Financial Statements** Mr. Marchetti reviewed the unaudited financial statements for Breckenridge Mountain and Alpine Metropolitan Districts ending June 30 noting that expenses for the year and the Ski Hill Road Project were tracking as expected.

**Accounts Payable** Ms. Johnston reviewed the Accounts Payable list and Project Fund draw request included in the meeting packet and, upon motion duly made and seconded, it was unanimously,

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

**Future Meetings** Due to scheduling conflicts, the Special meeting for August 30 was cancelled and a special meeting will be scheduled for Thursday August 23, 2018 at 9:00 am at the Crystal Peal Lodge.

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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts August 2, 2018 Meeting Minutes

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### **Adjournment**

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the Joint Special Meeting of Alpine and Breckenridge Mountain Metropolitan Districts Board of Directors this 2<sup>nd</sup> day of August, 2018.

Respectfully submitted,



Beth Johnston  
Recording Secretary

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# RECORD OF PROCEEDINGS

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**Minutes of the Joint Special Meeting of the  
Boards of Directors of  
Alpine Metropolitan District and Breckenridge Mountain Metropolitan District  
August 23, 2018**

The Joint Special Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held August 23, 2018 at 9:00 a.m., in the Crystal Peak Lodge located at 1891 Ski Hill Rd, Breckenridge, Summit County, Colorado.

**Attendance**

**The following Directors were present and acting:**

**Alpine:**

Jeff Zimmerman  
Norm Helm  
Jeff Lifgren  
Chris Gersbach

**Breckenridge Mountain:**

Jeff Zimmerman  
Norm Helm  
Jeff Lifgren  
Chris Gersbach

**The following Director were absent:**

**Alpine:**

Gabrielle Keown

**Breckenridge Mountain:**

Gabrielle Keown

**Also in attendance were:**

- Ken Marchetti, Marchetti & Weaver LLC (via phone)
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Trish Harris, White Bear Ankele Tanaka & Waldron PC
- Bill Ankele, White Bear Ankele Tanaka & Waldron PC (via phone)
- Jesse Meryhew, OAC Management
- Graham Frank, Breckenridge Grand Vacations (BGV)
- Jason Bretz, Breckenridge Grand Vacations (BGV)

**Call to Order**

Director Zimmerman called roll for the joint Special meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District meeting noting a quorum was present.

**Potential  
Conflicts**

The Boards noted that they have received certain written disclosures of potential conflict of interest statements from each of the Directors more than seventy-two hours prior to the meeting, indicating the following conflicts: Jeff Zimmerman is Senior Director of Mountain Operations for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; Norm Helm is Director of Association Management for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc. which all have significant business interests within the Districts; Gabrielle Keown is Senior Director of Real Estate Development for Vail Resorts Development Co., a subsidiary of the Vail

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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts August 23, 2018 Meeting Minutes

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Corporation and an indirect operating subsidiary of Vail Resorts, Inc. which all have significant business interests within the Districts; Jeff Lifgren is Director of Ski Services for Breckenridge Ski Company, a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; Chris Gersbach is General Manager of One Ski Hill Pace and Crystal Peak Lodge for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts.

### **Agenda**

There were no changes to the agenda.

### **BGV Presentation on Ice Rink**

Mr. Bretz reviewed the proposed management operating agreement and updated budgets explaining that all expenses and revenues would be run through the District and Breckenridge Grand Vacations (hereafter BGV) would be paid a management fee. Discussion continued on the intended use and activities for the ice rink and sport court as well as the District's obligations for future maintenance and operations, liability, and funding. Following the presentation and discussion, the Board directed counsel to revise the proposed agreement to have BGV assume all costs and revenues for the first two years of the ice rink/sport court operations and include a provision for a capital replacement fund to establish an operational history to allow the Board to make a more informed decision regarding the facility operations agreement.

Mr. Bretz left the meeting at 10:00 a.m.

### **Ski Hill Road Project Update**

Mr. Meryhew reviewed the Ski Hill Road project Progress Update report for July 2018 noting that the completion date has been pushed back about one week due to shotcrete work and retaining wall patching. Mr. Meryhew reviewed the overall project budget noting the remaining to complete was approximately \$1.6 million. Mr. Meryhew reviewed the Owner Contingency Log reporting that Vail Resorts requested a metal railing for the Sprung Structure stairway that would result in a change order. After discussion, the Board decided that wood railings as in the original bid were adequate although they should be better constructed than last year and painted.

Mr. Meryhew reviewed the design updates reporting that the retaining wall repair and patches would need to be approved by Civil Insight, the District and Town of Breckenridge before they would be accepted. The costs for Civil Insight and OAC on the additional cap repairs were being discussed

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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts August 23, 2018 Meeting Minutes

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with PCL and covered at their expense. The new bus drop design was approved by Town of Breckenridge. Mr. Meryhew reviewed the Action Item Log noting that the Neilson studs and several other items identified by Kumar during testing would be verified with an engineer's stamp certified letter that they are correctly installed. OAC is also negotiating an extended warranty for the retaining wall. Discussion continued on the sidewalks and the responsible party for snow removal as well as the ongoing issues with ADA compliance.

### **Ice Rink, Escalator, & ADA Lift Update**

Mr. Frank reported that BVG was still waiting for a response from Vail Resorts regarding the on-going maintenance and capital for the escalator and ADA lift projects. Director Zimmerman agreed to follow up with Vail Resorts and report back to Mr. Frank.

The Board discussed the potential ownership of the finished escalator and ADA lift and if they needed oversight of the projects by their own representative. After discussion, the Board requested OAC Management provide a proposal for overseeing the construction of the ice rink, escalator, and ADA lift. The Board also discussed the need for a reserve study for the capital assets owned by the District

### **Minutes**

The Board reviewed the minutes included in the board packet and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the minutes of the August 2, 2018 Joint Special Meeting as presented.

### **Ice Rink, Escalator, & ADA Lift Project Agreements**

Mr. Ankele reviewed the public bidding requirements for construction and materials acquisition. District counsel determined that the Ice Rink and related items would be exempt from the bidding process as they are unique and considered single source and the ADA lift was under the required bid threshold. The escalator however is not considered single source and exceeded the threshold and therefore was subject to the bid requirements.

Ms. Harris reviewed the PCL Materials Procurement and BGV Project Funding Agreements explaining that BGV would advance costs for the District, PCL Construction would procure the materials and construct the Ice Rink, Escalators, and ADA Lift, and the District would pay the entire cost of materials and reimburse BGV up to the funds they have available, including any funds left over from the Ski Hill Road project, pending final conditions of the bus drop off are completed. The Board tabled further



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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts August 23, 2018 Meeting Minutes

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discussion on the Project Funding Agreement and Agreement to Acquire Project Materials pending full review by the Board and earlier discussions.

**Second Amendment to  
Improvement  
Agreement**

Ms. Harris reviewed the Second Amendment to the Improvement Agreement with the Town of Breckenridge noting that OAC was requesting an extension to the September 1 deadline from the Town of Breckenridge.

**Financial  
Statements**

Mr. Marchetti reviewed the unaudited financial statements for Breckenridge Mountain and Alpine Metropolitan Districts ending July 31 noting that the estimated cost of \$250,000 for returning the bus turn around to original approved conditions was added to the 2019 preliminary budget. General discussion continued about the new construction and 2019 budget.

**Accounts Payable**

Ms. Johnston reviewed the Accounts Payable list and Project Fund draw request included in the meeting packet and, upon motion duly made and seconded, it was unanimously,

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

**Future Meetings**

The next meeting will be held as scheduled on Thursday September 27, 2018 at 9:00 am at the Crystal Peal Lodge.

**Adjournment**

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the Joint Special Meeting of Alpine and Breckenridge Mountain Metropolitan Districts Board of Directors this 23<sup>rd</sup> day of August, 2018.

Respectfully submitted,



Beth Johnston  
Recording Secretary

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# RECORD OF PROCEEDINGS

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## Minutes of the Joint Regular Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District September 27, 2018

The Joint Regular Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held September 27, 2018 at 9:00 a.m., in the Crystal Peak Lodge located at 1891 Ski Hill Rd, Breckenridge, Summit County, Colorado.

### Attendance

**The following Directors were present and acting:**

**Alpine:**

Jeff Zimmerman  
Norm Helm  
Jeff Lifgren  
Chris Gersbach

**Breckenridge Mountain:**

Jeff Zimmerman  
Norm Helm  
Jeff Lifgren  
Chris Gersbach

**The following Director were absent:**

**Alpine:**

Gabrielle Keown

**Breckenridge Mountain:**

Gabrielle Keown

**Also in attendance were:**

- Ken Marchetti, Marchetti & Weaver LLC (via phone)
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Trisha Harris, White Bear Ankele Tanaka & Waldron PC
- Erik Peterson, OAC Management (via phone)
- Deb Norton, Breckenridge Grand Vacations (hereafter BGV)

### Call to Order

Director Zimmerman called roll for the joint Regular meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District meeting noting a quorum was present.

### Potential Conflicts

The Boards noted that they have received certain written disclosures of potential conflict of interest statements from each of the Directors more than seventy-two hours prior to the meeting, indicating the following conflicts: Jeff Zimmerman is Senior Director of Mountain Operations for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; Norm Helm is Director of Association Management for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc. which all have significant business interests within the Districts; Gabrielle Keown is Senior Director of Real Estate Development for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc. which all have significant business interests within the Districts; Jeff Lifgren is Director of Ski Services for Breckenridge Ski Company, a

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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts September 27, 2018 Meeting Minutes

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subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; Chris Gersbach is General Manager of One Ski Hill Pace and Crystal Peak Lodge for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts.

**Agenda** There were no changes to the agenda.

**Public Input** There was no public input.

**Ski Hill Road Project Update** Mr. Peterson reviewed the progress update report for August noting the project was 90% complete, that the final punch list would be completed 10/4 and the project expected to be completed by 10/10. Mr. Peterson reported that the project was still within budget and that a final change order was expected for the installation of the metal handrail at the sprung structure but that the charges would be offset by credits for the OAC and Civil Insight retaining wall consultation work. Kumar and Associates have been onsite testing the retaining wall repairs as they are completed. The certified engineer letter from Coggins Construction has been received per the action list requirements and OAC is still seeking an extended warranty from PCL on the retaining wall. There was brief discussion on the landscape cleanup and Ms. Norton said she would follow up BGV.

**Ice Rink, Escalator, & ADA Lift Update** Director Zimmerman reviewed the background and draft agreements related to the Ice Rink, ADA Lift and escalators. Director Zimmerman reported that he had forwarded the maintenance agreement to Vail Associates legal department for review and that Vail Resorts would consider taking over the maintenance and operations of the escalators and lift but Director Zimmerman expressed ongoing concern with the proposed Maintenance Agreement of the Ice Rink and the District potentially needing to assume day to day operations for the Ice Rink instead of having an oversight position ensuring proper maintenance and high-quality service to the public. Ms. Harris explained that the agreement required an annual renewal option but a clause was in the agreement to ensure roll forward as long as the District appropriated funds. Discussion continued around potential operations scenarios after the original two-year agreement terminates as well as liability and responsibility for the maintenance and operations of the ice rink.

**Minutes** The Board reviewed the minutes included in the board packet and upon motion duly made and seconded, it was unanimously

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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts September 27, 2018 Meeting Minutes

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**RESOLVED** to approve the minutes of the August 23, 2018 Joint Special Meeting as presented.

**Second Amendment to Improvement Agreement**

Ms. Harris reviewed the Second Amendment to the Improvement Agreement with the Town of Breckenridge. The Board tabled further action on the Agreement until the funding agreement with BGV was finalized.

**Ice Rink, Escalator, & ADA Lift Project Agreements**

Ms. Harris reviewed the background on the Infrastructure Acquisition and Reimbursement Agreement and Procurement Agreement. The Board instructed Ms. Harris to distribute the agreements to BGV for review and tabled further action until next meeting.

**Ice Rink Management Agreement**

The Board requested Ms. Harris to make the changes as discussed earlier in the meeting and to send the Agreement to Vail Resorts legal for review. Further action was tabled until the next meeting

**Ice Rink Easement Agreement**

Ms. Harris reviewed the background for the easement agreement stating that it was to allow the District access to the Ice Rink for maintenance and capital repairs. Discussion continued on what the easement covered and if it was necessary. Director Zimmerman requested a meeting with all parties involved, including Vail Resorts, BGV, the District, and Breckenridge Mountain Master Association be coordinated to determine the exact location and what easements were already in place. This agreement was tabled pending input from the meeting.

**Financial Statements and 2019 Budget**

Mr. Marchetti reported the meeting had been published as the public hearing to adopt the 2019 budgets for Breckenridge Mountain and Alpine Metropolitan Districts and the public hearing was opened to take comments on the proposed 2019 budgets.

Mr. Marchetti reviewed the Breckenridge Mountain Metro District 2018 financial statements through August, the 2018 forecast, and the 2019 proposed budget, noting the project fund transfers and the ending fund balance that could be used for future capital maintenance repairs. Mr. Marchetti reviewed the assessed valuation for 2019 explaining the increase this year is the result of new construction however 2020 would be a

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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts September 27, 2018 Meeting Minutes

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reassessment year and another decrease to the residential assessment rate was expected. Mr. Marchetti then reviewed the Alpine Metro District 2018 financial statements through August, the 2018 forecast, and the 2019 proposed budget.

Discussion continued on the District's obligation to set the mill levy rate at a level that would cover future expenses for debt service as well as maintenance and capital expenses on the new projects per the IGA with Alpine Metro District. Pending further analysis of the long-range plan, the 2019 Budget hearings for Breckenridge Mountain and Alpine Metropolitan Districts were continued to the next meeting.

**Accounts Payable** Ms. Johnston reviewed the Accounts Payable list and Project Fund draw request included in the meeting packet and, upon motion duly made and seconded, it was unanimously,

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

**Developer Fee  
Report**

The Board reviewed the report included in the packet and confirmed that 2 lots were still vacant.

**Future Meetings**

The October 25 meeting was cancelled and rescheduled for November 1, 2018 at 9:00 am at the Crystal Peal Lodge.

**Adjournment**

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the Joint Regular Meeting of Alpine and Breckenridge Mountain Metropolitan Districts Board of Directors this 27th day of September, 2018.

Respectfully submitted,



Beth Johnston  
Recording Secretary

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# RECORD OF PROCEEDINGS

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## Minutes of the Joint Special Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District November 1, 2018

The Joint Special Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held November 1, 2018 at 9:00 a.m., in the Crystal Peak Lodge located at 1891 Ski Hill Rd, Breckenridge, Summit County, Colorado.

### Attendance

**The following Directors were present and acting:**

**Alpine:**

Jeff Zimmerman  
Norm Helm  
Chris Gersbach

**Breckenridge Mountain:**

Jeff Zimmerman  
Norm Helm  
Chris Gersbach

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

**Alpine:**

Jeff Lifgren

**Breckenridge Mountain:**

Jeff Lifgren

**Also in attendance were:**

- Ken Marchetti, Marchetti & Weaver LLC (via phone)
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Trisha Harris, White Bear Ankele Tanaka & Waldron PC
- Jesse Meryhew, OAC Management
- Don Leinweber, Civil Insight
- John Dawsey, Vail Resorts
- Deb Norton, Breckenridge Grand Vacations (hereafter BGV)

### Call to Order

Director Zimmerman called roll at 9:24 a.m. for the joint Special meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District meeting noting a quorum was present.

### Potential Conflicts

The Boards noted that they have received certain written disclosures of potential conflict of interest statements from each of the Directors more than seventy-two hours prior to the meeting, indicating the following conflicts: Jeff Zimmerman is Senior Director of Mountain Operations for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; Norm Helm is Director of Association Management for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc. which all have significant business interests within the Districts; Jeff Lifgren is Director of Ski Services for Breckenridge Ski Company, a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant

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## Alpine and Breckenridge Mountain Metropolitan Districts November 1, 2018 Meeting Minutes

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business interests within the Districts; Chris Gersbach is General Manager of One Ski Hill Pace and Crystal Peak Lodge for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts.

**Agenda** Mr. Marchetti requested that appointment of the Board member be moved to the end of the agenda.

**Public Input** There was no public input.

**Ski Hill Road  
Project Update**

Mr. Meryhew reviewed the punch list work to be completed by PCL by November 7, 2018 per the construction contract. Mr. Meryhew noted several items had been listed as warranty items for follow up next spring, such as the concrete pan and retaining wall patches. Mr. Leinweber noted that the catch basin inserts needed to be removed and the shallow utility as-builts were not complete. Director Zimmerman expressed concern about tracks and possible traffic congestion through the revegetation area this winter and asked for ideas on how to keep the area clear. Mr. Meryhew and Mr. Leinweber suggested that delinear posts and reflectors could be installed along the east side of the road to discourage traffic. Discussion continued on responsibility for snowplowing sidewalks and other potential winter issues at the completed job site. Ms. Norton noted that BGV had agreed to do the landscaping along the road project in 2019.

Mr. Meryhew reviewed the budget, contingency report, and change orders included in the packet. Mr. Leinweber expressed frustration with PCL on not following through on specific construction requirements per the approved designs, such as smaller railing being installed, despite the designs being reviewed by the general contractor.

Mr. Meryhew reported that the project had reached Substantial Completion on October 23, 2018, and that date started the warranty period for PCL. Mr. Meryhew and Ms. Harris reviewed the retainage release provisions stated in the contract and upon final acceptance of the project by the District. Completion of the warranty items in spring 2019 was discussed and Ms. Harris reviewed that the performance bonds would cover those items if PCL did not complete them as agreed. Ms. Harris also noted that if the warranty on any project items, such as the retaining wall, was extended, then the bonds would need to be extended as well. Ms. Harris also reviewed the substantial penalties to be incurred if punch list items were not completed by November 7, 2018.

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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts November 1, 2018 Meeting Minutes

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Following discussion, and by motion duly made and seconded, it was unanimously

**RESOLVED** to approve PCL Change Order #11 for handrailing and consulting credit; and

**FURTHER RESOLVED** to approve PCL Change Order #12 for additional signage as requested by Town of Breckenridge and Vail Resorts; and

**FURTHER RESOLVED** to approve Civil Insight Change Order #4 for additional design work on the project; and

**FURTHER RESOLVED** to approve OAC Change Order #2 for additional oversight and pay application work for November; and

**FURTHER RESOLVED** to accept the Substantial Completion date as recommended by OAC Management.

Mr. Meryhew and Director Zimmerman expressed sincere thanks to Mr. Leinweber with Civil Insights, OAC Management, and PCL for a successful project completion given the complexity, coordination challenges, and unknowns at the start of the project.

### **Ice Rink, Escalator, & ADA Lift Update**

Director Zimmerman reported that he had spoken with the Vail Resorts legal team regarding the maintenance of the escalators and ADA lifts. Vail Resorts agreed to consider acceptance of all maintenance and capital repair costs on the escalators and ADA lift pending review and acceptance of a formal agreement with the District.

Ms. Harris reviewed the ice rink management agreement noting some revisions were requested by Peak 8. Ms. Harris noted that the agreement was for two years at which time the District could review the terms.

Ms. Harris reviewed the Procurement Agreement with PCL noting that PCL and BGV made revisions that were included as a redline document in the board packet. General discussion on the agreements, how they worked together, and availability of funds followed. Following discussion, and by motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Procurement Agreement (Ice Rink/ADA Lift) with PCL Construction with the changes as indicated in the document included in the packet.



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Ms. Harris advised that a clean, updated document would be produced for signature.

Mr. Leinweber left the meeting at 10:30 a.m.

**Minutes** The Board reviewed the minutes included in the board packet and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the minutes of the September 27, 2018 Joint Regular Meeting as presented.

### **White Bear Ankele**

**Engagement Letters** Ms. Harris reviewed the engagement letters included in the board packet explaining that an increase in fees, the use of client names for marketing purposes, and arbitration of disputes are the major changes. Following discussion, and by motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Engagement of White Bear Ankele Tanaka & Waldron for Breckenridge Mountain Metro District; and

**FURTHER RESOLVED** to approve the Engagement of White Bear Ankele Tanaka & Waldron for Alpine Metro District.

### **Joint Admin Resolution**

Ms. Harris reviewed the administrative resolution explaining that it delegated the required reporting and administrative duties for the Districts. Ms. Johnston reviewed the meeting schedule in the resolution. Following discussion, and by motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Alpine and Breckenridge Mountain Metro Districts Joint Annual Administrative Resolution for 2019.

### **Second Amendment to Improvement Agreement**

Ms. Harris reviewed that this extension to the Improvement Agreement was requested by the Town for meeting the bus stop final condition as part of the Ski Hill Road Project. Following discussion, and by motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Second Amendment to Improvement Agreement (Peak8/Ski Hill Road Project) with the Town of Breckenridge, contingent on Breckenridge Grand Vacations signing the Infrastructure Acquisition and Reimbursement Agreement.

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## **Infrastructure Acquisition Agreement with Peak 8 Properties**

Ms. Harris reviewed that this agreement was discussed earlier in the meeting and asked if there were any further questions. Having none, and by motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Infrastructure Acquisition and Reimbursement Agreement for the Ice Rink/Escalators/ADA Lift with Peak 8 Properties as presented in the packet.

## **Independent Contractor Agreement with OAC Management**

Director Zimmerman reviewed the reasoning behind the need for oversight on the District's behalf for the Ice Rink, Escalator, and ADA Lift projects being completed by BGV but eventually owned by the District. The Board reviewed the agreement and scope of services proposed by OAC discussing which oversight schedule would be cost effective and provide the necessary oversight. Following discussion and by motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Independent Contractor Agreement with OAC Management for oversight of the Ice Rink/Escalators/ADA Lift project with one time per week oversight schedule and the option to add on service as needed with Board approval at the per hour price, and preparation of a maintenance schedule and replacement reserve study for all District assets included in the proposed fee.

Mr. Meryhew left the meeting at 10:49 a.m.

## **Ice Rink Management Agreement**

Ms. Harris reported that the changes requested by the Board had been made. The Board requested a line item to be included in the first two years of the agreement for funding the replacement reserve fund. Director Zimmerman reported that the agreement was currently being reviewed by Vail Resorts and tabled further action.

## **Ice Rink Property Interest**

Ms. Harris reported that a joint meeting was had to discuss who would be responsible for maintenance of the ice rink and what easements would be required. Ms. Harris explained that the Ice Rink would need to be labeled as a Master Common Element to ensure the rink remained open to the public and that a Master Easement Agreement from BMMA granting the District

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access to the Ice Rink would be required. Ms. Harris suggested that the easement was not urgent and just needed to be in place prior to the completion of the ice rink project.

Ms. Norton left the meeting at 11:00 a.m.

### **Financial Statements**

Mr. Marchetti reviewed the financial statements for Breckenridge Mountain and Alpine Metropolitan Districts ending September 30, 2018. Mr. Marchetti reviewed the general and debt service funds long-range plans and anticipated projects in the near future, advising that the debt service and service obligation mill levies be lowered slightly to avoid a projected large surplus in the fund balances. Mr. Marchetti explained that a minor change to the presentation of the Alpine financial statements was made so that it was easier to see what funds were available to the District for funding a capital repairs and replacement reserve fund.

### **Public Hearing for 2019 Budget**

The public hearing to take comments on the proposed 2019 budget for the Breckenridge Mountain Metropolitan District was continued from the September 27, 2018, meeting and opened for comment. Mr. Marchetti reviewed the updated 2019 preliminary budget for Breckenridge Mountain Metropolitan District suggesting that the mill levy for debt service be lowered to 23 mills and the service obligation mill levy be lowered to 1.5 mills as discussed. There being no further comment, the public hearing was closed. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adopt the 2019 budget and appropriate the sums of money for Breckenridge Mountain Metropolitan District subject to receipt of the final assessed valuation, and

**FURTHER RESOLVED** to certify the mill levy at 24.50 mills with 23 mills for debt service and 1.5 mills for service obligations.

The public hearing to take comments on the proposed 2019 budget for the Alpine Metropolitan District was continued from the September 27, 2018 meeting and opened for comment. Mr. Marchetti reviewed the 2019 preliminary budget for the District noting the capital fund budget included the funds projected to be spent on the Ice Rink, ADA Lift and Escalator project. There being no further comment, the public hearing was closed. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adopt the 2019 budget and appropriate the sums of money for Alpine Metropolitan District subject to receipt of the final assessed valuation, and

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**FURTHER RESOLVED** to certify the mill levy at zero (0) mills.

**Accounts Payable** Ms. Johnston reviewed the Accounts Payable list included in the meeting packet and, upon motion duly made and seconded, it was unanimously,

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

**Audit Proposals** The Board reviewed the audit proposals included in the packet. Mr. Marchetti gave an overview of each firm. After discussion, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to accept the proposals from Chadwick, Steinkirchner, Davis & Co, P.C. and

**FURTHER RESOLVED** to authorize Mr. Marchetti, as District Administrator, to engage the audit firm for completion of the 2018 audit for Alpine and Breckenridge Mountain Metropolitan Districts.

**Future Meetings** The Board directed Ms. Johnston to follow up with Director Zimmerman two weeks prior to the regular meeting scheduled for November 28 to review if the meeting could be cancelled. The Board reviewed the proposed 2019 meeting calendar and, following discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the 2019 meeting calendar as presented.

**Appointment of Director**

Ms. Harris stated that notice of the Board seat vacancy had been published following the resignation of Director Keown in September 2018. There being no other interested candidates, Mr. Dawsey was nominated to fill the positions vacated by Director Keown until the next regular election of the Districts to be held in May 2020. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to appoint John Dawsey to fill the vacancies on the Alpine and Breckenridge Mountain Metropolitan Districts Boards.

Director Zimmerman, President of the Boards of the Alpine and Breckenridge Mountain Metropolitan Districts, administered the Oaths of Office to Director Dawsey.

**Adjournment** Upon motion duly made and seconded, it was unanimously

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**RESOLVED** to adjourn the Joint Special Meeting of Alpine and Breckenridge Mountain Metropolitan Districts Board of Directors this 1st day of November, 2018.

Respectfully submitted,



Beth Johnston  
Recording Secretary