
RECORD OF PROCEEDINGS

**Minutes of the Joint Meeting of the
Boards of Directors of
Alpine Metropolitan District and Breckenridge Mountain Metropolitan District
May 27, 2021**

The Joint Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held May 27, 2021 at 9:00 a.m. via electronic Zoom meeting <https://zoom.us/join>, Phone Only US 1 253 215 8782, Meeting ID: 899 0768 0446.

Attendance

The following Directors were present and acting:

Alpine:

Chris Gersbach
Dustin Stokes
Trevor Maring
Jim Testin
Norm Helm

Breckenridge Mountain:

Chris Gersbach
Dustin Stokes
Trevor Maring
Jim Testin
Norm Helm

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver LLC
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Trish Harris, White Bear Ankele Tanaka & Waldron PC
- Jason Bretz, Breck Blades, LLC
- Lisa Hemman, Chadwick, Steinkirchner, Davis
- Jonathan Heroux, Piper Sadler
- Chris Noraka, Development, Breckenridge Grand Vacations
- Blake Davis, CFO, Breckenridge Grand Vacations
- Nick Doran, COO, Breckenridge Grand Vacations

Call to Order

Director Gersbach called roll at 9:02 am for the joint meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District meeting noting a quorum was present for each district.

**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: 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; Chris Gersbach is General Manager of One Ski Hill Place 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; Dustin Stokes is General Manager of Keystone Lodge and Spa for Vail Resorts

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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; Trevor Maring is Director of Base Area Operations at Breckenridge Ski Resort a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; James Testin is Director of Mountain Planning at Breckenridge and Keystone Ski Resorts, Vail Summit Resorts Inc, 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.

2020 Audited Financial Statements

Ms. Johnston introduced Ms. Hemann who completed the 2020 audited financial statements for the Districts. Ms. Hemann gave an overview of the audit procedures and that both audits were issued without any significant items to report. Ms. Hemann explained that the audit focused on internal controls and other weaknesses and did not find any. There was one audit journal entry suggested by Mr. Marchetti to correct the amortization of the 2016 bonds premium but no substantial changes to processes or procedures. There was general discussion on the reports and audit procedures. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the Breckenridge Mountain Metropolitan District 2020 Audited Financial Statements, subject to final comments by District Counsel; and

FURTHER RESOLVED to approve the Alpine Metropolitan District 2020 Audited Financial Statements, subject to final comments by District Counsel.

Mr. Marchetti thanked Ms. Hemann and her team for timely completion of the audits and also for being available to discuss the reports with the Board.

Ms. Hemann left the meeting at 9:15 a.m.

North Gondola/ Gold Rush Lots Project

Mr. Doran introduced himself and his colleagues. Mr. Doran said that Breckenridge Grand Vacations (BGV) was working with the Town of Breckenridge to develop a Master Plan for the development of the North Gondola and Gold Rush lots and part of the plan included installation of a

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gondola from a proposed parking structure in the Gold Rush lot over the street to the North Gondola lot. Mr. Doran gave background on other options that were considered and why a gondola was the chosen transportation option. BGV presented two preliminary pricing options from Poma based on different clearance options for the gondola. BGV engaged the District and discussion was had on the following items :

- Bonding capacity of the District – BGV inquired if the District had sufficient bonding capacity for the gondola transportation project. Mr. Heroux and Mr. Marchetti responded that bond interest rates were still low and assessed values were projected to increase so the District may have sufficient bonding capacity for the project. Further discussion was had on remaining buildout for the District and other potential infrastructure projects the District may be asked to finance since the proposed gondola would max out the District's bonding capacity or remainder voter authorization.
- Staffing and Operation of the Gondola – BGV would prefer that the gondola be operated by Vail Resorts or another entity. Discussion continued on operating cost responsibility and potential cost share partners that could be set up similar to the Village Connect gondola agreement.
- Construction of the gondola – BGV would like the District to construct the gondola similar to the Ski Hill Road project in 2017. Discussion continued on if the project was a stand alone project and how the District would determine that the parking garage was structurally sufficient to support a gondola terminal if the projects were completed separately. Additional items for consideration were the District's need for an Owner's Representative to act on their behalf and ownership of the parking garage structure and related revenues.

Further discussion was had on responsibility if construction costs exceeded the District's bonding capacity, timing of the project construction and issuance of bonds; the District's on-going financial capacity to maintain and eventually replace the asset and on-going operating costs, and the project's estimated contribution to District's annual revenues through property taxes assessed on residential and commercial improvements.

Mr. Doran, Mr. Noraka, and Mr. Davis left the meeting at 10:15 a.m.

Financial Statements

Mr. Marchetti reviewed the financial statements included in the packet noting things were tracking as expected. There was discussion on the anticipated increase to the assessed value for 2022 due to the change in property tax valuations.

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Mr. Marchetti continued the discussion on the Storm Sewer Drain system and if the District should have some financial responsibility for the maintenance and operation of the system. The history of the agreement was reviewed with Director Helm recalling that the Developer may have requested that the maintenance of the system be run through the BMMA. The Board decided more research was required to determine if anything needed to be changed and requested that this item be kept on the agenda for future discussion.

Mr. Marchetti left the meeting at 10:30 am

Ice Rink Operations Report

Mr. Bretz reviewed the following for the Ice Rink:

- Closed to the public on April 4 and subsequent shut down procedures.
- A custom tarp is needed for maintaining the ice for spring skating. There was anticipated to be available funds left in the start up budget line item after the turf purchase.
- The turf proposal was received and is on order.
- The financial statements contained a formula error and the variance report for the end of season was reviewed. The electric costs had been determined and would be posted.
- The turf was expected prior to the opening of Epic Discovery and the court would be fully open once installed. Some games have been put out for the interim.

Ms. Johnston updated the Board on the District assuming financial responsibility reporting that the paperwork for a new merchant account was in process and expected to be finalized in October prior to the rink opening in November.

Turf Proposal

The Board reviewed the turf proposal included in the packet. Ms. Johnston explained that the proposal had been distributed prior to the meeting and was less than the Start Up amount budgeted for 2021. Following discussion, and upon motion duly made and seconded it was unanimously

RESOLVED to ratify the PlushGrass Proposal dated April 18, 2021 for artificial grass recreation area for the ice rink/sport court.

Mr. Bretz left the meeting at 10:38 a.m.

Minutes

The Board reviewed the minutes included in the packet. Director Stokes noted that his conflict statement needed updated from Mountain Thunder

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Lodge to Keystone Mountain Lodge and Spa. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the February 25, 2021, minutes following the discussed correction.

Accounts Payable The Board reviewed the Accounts Payable list included in the packet. Upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the Accounts Payable list as presented.

DocuSign Review

In response to the increasing sophistication of spam requests, Ms. Johnston reviewed the information that will be included when a DocuSign request is sent from Management to a Board member. Items to be verified include personalized text in the email body, proper grammar and spelling, and the email signature. She reiterated that if there was any question on the legitimacy of a request that they should call or send a separate email to confirm.

Second Amendment to Ice Rink Management Agreement

Ms. Harris reviewed the background of the Management Agreement and explained that Breck Blades requested an extension for submitting the monthly Management Services Costs incurred from the 10th to the 20th of each month and the associated adjustment for payment remittance by the District. Following discussion and, upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Second Amendment to Management Agreement between Alpine Metropolitan District and Breck Blades, LLC.

Consolidated Annual Report

Ms. Harris reviewed the 2020 joint annual report for the Districts noting that there was nothing out of the ordinary. The report would be filed with the Town of Breckenridge and other entities as required. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2020 Consolidated Annual Report.

Future Meetings

The Board confirmed the next meeting for August 26, 2021. Discussion was had on future meetings in light of pandemic restrictions being lifted. The Board indicated that electronic meetings would be preferred due to Board members being spread out in various locations.

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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 27th day of May, 2021.

Respectfully submitted,



Beth Johnston
Recording Secretary