
RECORD OF PROCEEDINGS

Minutes of the Meeting of the Board of Directors of Breckenridge Mountain Metropolitan District, Subdistrict A May 26, 2022

The special meeting of the Board of Directors of Breckenridge Mountain Metropolitan District, Subdistrict A was held May 26, 2022 at 9:00 a.m. concurrent with the joint meeting of the Alpine and Breckenridge Mountain Metropolitan Districts 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:

Subdistrict A:

Trevor Maring
Dustin Stokes
Martin Allen
Ryan Thomas
David Little

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver LLC
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Trish Harris, White Bear Ankele Tanaka & Waldron PC
- William Ankele, White Bear Ankele Tanaka & Waldron PC
- Michael Lund, Piper Sandler
- Sydney Burnett, Piper Sandler
- Graham Frank, Breckenridge Grand Vacations
- Deb Norton, Breckenridge Grand Vacations
- Blake Davis, Breckenridge Grand Vacations

Call to Order

Director Maring called to order at 9:48 a.m. the meeting of the Board of Directors of Breckenridge Mountain Metropolitan District Subdistrict A noting a quorum was present for the subdistrict.

Potential Conflicts

Mr. Ankele noted that written conflict disclosures of potential conflicts of interest were not received from all directors in sufficient time to file at least seventy-two hours prior to the meeting. Since conflict disclosures could not be filed, actions of the Board were limited to administrative and time-sensitive business.

Agenda

Consideration of the Market Study proposal from THK Associates was added to the agenda.

Public Input

There was no public input.

North Gondola/ Gold Rush Lots Project

Mr. Frank gave an update on the Gondola Project

- The Master Plan has been approved.

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- The subdivision has been approved by the Subcommittee with a Town Council call up at June 14th meeting.
- The property transfer with Vail Resorts has been pushed back to June 24.
- The Planning Application for the entire project is submitted and the first review meeting is June 24th for the gondola and garage portion of the plan. BGV will follow up with the District if any changes are requested.
- Approval is expected late fall 2022 with grading for the parking structure and construction to begin spring 2023.

There was general discussion on the Council call up for June 14th and that it was due to curved property lines which were requested from planning.

Funding Agreement

Ms. Harris explained that the Funding and Reimbursement Agreement is a backstop for operation and administrative costs that the Subdistrict incurs before construction of improvements and property tax revenues increase. There is additional information needed on when the Subdistrict is expected to be self-sustaining, interest rates from Municap, anticipated costs to be incurred, and comments from BGV's attorney. There was general discussion with BGV on the preliminary budget for the Subdistrict and if it will be a standalone entity for construction and operation of the gondola. Discussion continued on anticipated expenditures and the lag of property tax collection, the projected high mill levy rate, developer advance funding versus a high mill levy rate and the effect on potential sales. Following discussion, and by motion duly made and seconded it was unanimously

RESOLVED to approve the Funding and Reimbursement Agreement (Operations and Maintenance) with Breckenridge Grand Vacations pending completion of missing information and District accepted review by BGV legal counsel.

Subdistrict Formation

Ms. Harris reviewed the election held on May 3, 2022 reporting that all questions were approved and the Subdistrict is authorized to move forward with the Bond transaction and other business.

Bond Issuance Update

Mr. Lund gave an overview of the financial model explaining that the current financial market is challenging for non-rated debt, so, while the Subdistrict's bonds will still be marketable, the interest rate has been increased in the model. The timing of the bond issue later this year may allow for markets to stabilize. Discussion continued on changes to the interest rate and the effect on the amount available in the project fund, and timing for board action on the bonds and project.

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Bond Engagement Letters

The engagement letters for the Bond team are undergoing additional revisions and have been tabled until the next meeting. Discussion turned to the Market Study proposal submitted by THK Associates and the time sensitive nature of the study for the bond issue. Following discussion, the Board authorized moving forward with the proposal by THK Associates as presented.

Mr. Frank, Ms. Norton, Mr. Blake, Mr. Lund and Ms. Burnett left the meeting at 10:20 am.

Administrative Matters

Ms. Harris reviewed the Administrative Matters Consent Agenda Items explaining they were housekeeping items necessary for the formation of the new Subdistrict. Following review, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Designating the Subdistrict's 24 hour posting location; and

FURTHER RESOLVED to adopt the Public Records Request Policy; and

FURTHER RESOLVED to adopt the Resolution Adopting the Colorado Special District Records Retention Schedule; and

FURTHER RESOLVED to approve the Transparency Notice; and

FURTHER RESOLVED to acknowledge recording of the Special District Public Disclosure Document; and

FURTHER RESOLVED to adopt the 2022 Annual Administrative Resolution pending update of the officers as elected by the parent district; and

FURTHER RESOLVED to adopt the Resolution Providing Defense and Indemnification of Directors and Employees

Engagements of Consultants

Ms. Harris and Mr. Marchetti reviewed the engagement letters for legal and accounting respectively included in the packet explaining they were the same terms as currently in place with the parent district. Following review and discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the engagement letter as presented for White Bear Ankele Tanaka and Walden; and

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FURTHER RESOLVED to approve the engagement letter as presented for Marchetti & Weaver LLC.

The engagement letter from Marchetti & Weaver LLC for s Special Project was tabled for consideration at the next meeting.

Financial Matters

Mr. Marchetti recommended that investment and operating bank accounts be opened for the Subdistrict. There was general discussion on current bank accounts held by the parent district, types of accounts the Subdistrict may require, who should be signers on any accounts and which directors should serve as payables approvers. Following discussion, the Board requested that an investment account be opened with C-Safe and an operating checking account be opened at FirstBank. All Board members should be signers on all bank accounts and the President and Treasurer should be payables approvers utilizing a similar procedure that was already in place for Alpine and the parent districts.

2022 Budget

Mr. Marchetti stated that the meeting had been published as the public hearing for adopting the 2022 budget for the Subdistrict and then opened the public hearing for comment. Mr. Marchetti reviewed the 2022 preliminary budget including the parent district funding, anticipated Developer advances and the Bond issue proceeds and cost of issuance. Mr. Marchetti also reviewed the preliminary 2023 budget showing construction costs and explained that it would be updated as more information became available. Mr. Ankele reviewed the pros and cons of running operations and maintenance of the gondola through Alpine Metro versus the Subdistrict. Following discussion, the public hearings were closed and, upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the Resolutions to Adopt the 2022 Budget for Breckenridge Mountain Metropolitan District Subdistrict A, subject to minor adjustments; and

FURTHER RESOLVED to set the 2022 mill levy for Breckenridge Mountain Metropolitan District Subdistrict A at 0 mills; and

FURTHER RESOLVED to appropriate funds for Breckenridge Mountain Metropolitan District Subdistrict A, subject to minor adjustments.

EFT Procedures

Ms. Johnston reviewed the verification procedures policy included in the packet explaining that the District's insurance carrier, Colorado Special District Property and Liability Pool (Pool), requires a policy be in place to cover any fraud or cybercrime incidents. Ms. Johnston explained that the policy requires telephone or in person verification for any wire or electronic

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funds transfer requests and that a log be kept for all verifications. Ms. Johnston also reviewed the procedures currently in place for all requests via DocuSign, including any cash transfer requests, including a separate email request and a personal note and full signature in the DocuSign request. Ms. Johnston also recommended that any Board member follow up with a phone call or separate email if there was any question on a DocuSign request, especially for cash transfers. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Electronic Fund Transfer Request Verification Procedures Policy as presented.

Future Meetings

Ms. Johnston reviewed the proposed meeting calendar for 2022 explaining that the dates were the same as the joint Alpine and Breckenridge Mountain Metro Districts. Discussion continued on the need to add a meeting in June to follow up on actions not taken at this meeting. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2022 meeting calendar as presented with an additional meeting added on June 9 at 10:00 a.m.

Adjournment

Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Meeting of Breckenridge Mountain Metropolitan District, Subdistrict A Board of Directors this 26th day of May 2022.

Respectfully submitted,



Beth Johnston
Recording Secretary