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# RECORD OF PROCEEDINGS

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## Minutes of the Meeting of the Board of Directors of Breckenridge Mountain Metropolitan District, Subdistrict A July 28, 2022

The meeting of the Board of Directors of Breckenridge Mountain Metropolitan District, Subdistrict A was held July 28, 2022 at 10:00 a.m. via electronic Zoom meeting <https://zoom.us/join>, Phone Only US 1 253 215 8782, Meeting ID: 896 5733 1759.

### Attendance

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

**Subdistrict A:**

- Dustin Stokes
- Martin Allen
- Ryan Thomas
- David Little

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

- Trevor Maring

**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
- Chris Noraka, Breckenridge Grand Vacations
- Blake Davis, Breckenridge Grand Vacations

### Call to Order

Director Stokes called to order at 10:03 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

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: **Dustin Stokes** is General Manager of Keystone Lodge and Spa 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; **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; **Martin Allen** is Director of Resort Services for Keystone Ski Resort, 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. **Ryan Thomas** is Senior Manager of Fleet Maintenance for Breckenridge Ski

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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. David Little is Senior Manager of Lift Operations for 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.

**Agenda** The King and Associates proposal was added for consideration during the Bonds discussion.

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

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

**RESOLVED** to approve the June 9, 2022 minutes as presented.

**Bond Issuance Update**

Mr. Lund reported that the bond document review was successful and the market study was in process with a draft model expected next week. Discussion continued on the mill levy and the potential for accumulation of a surplus. An accelerated sinking fund was added to the Bonds to pay off the bonds early and does not affect the mill levy rate. Discussion continued on interest rates and projected available project funds.

Ms. Harris reviewed the King and Associates proposal explaining that it will be used with the Market Study to forecast assessed values for the new development. Following discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the proposal from King and Associates for Special District Valuation Analysis.

**Insurance** Ms. Johnston and Mr. Marchetti reviewed the resolution, agreement and coverages proposed by the Insurance Pool. The premiums quoted are prorated for a partial year. Following discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Resolution and Intergovernmental Agreement accepting membership in the Colorado Special Districts Property and Liability Pool.

**Financial Statement** Mr. Ankele started general discussion on the relationship between Alpine and Subdistrict A explaining that they will be coordinating services similar to the relationship currently between Alpine and Breckenridge Mountain. The Subdistrict expenses will be accounted for in the Alpine financial

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statements similar to the way the Breckenridge Mountain parent district expenses are. Following discussion, it was requested that the Subdistrict financial statements be reissued and presented at the next meeting.

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

**RESOLVED** to approve the Accounts Payable list as presented.

**Bank Accounts** Since the Subdistrict's expenses will be running through Alpine, there is no need at this time to open an operating checking account. The Subdistrict did need an account for holding the Bond proceeds and Ms. Johnston recommended opening a C-Safe account to be consistent with the parent district. Following discussion, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Resolution to Join Colorado Surplus Asset Fund Trust and open an account.

Mr. Lund and Ms. Barnett left the meeting at 9:30 am.

**Agreements** Ms. Harris reviewed the three agreements included in the meeting packet. The Coordinating Services Agreement with Alpine states that Alpine will act as the coordinating district for the Subdistrict A. Alpine will own and operate the gondola once constructed with funding from the Subdistrict A.

The Funding Agreement between Subdistrict A and BGV entity addresses cost overruns for operation of the gondola with the Developer funding shortfalls during the first several years of operations until the Subdistrict revenues are sufficient to cover the costs. The Agreement designates a maximum annual contribution but provides that the Subdistrict will only request the amount actually needed to cover costs which may be less than the annual maximum. The Agreement provides either a fixed or variable interest rate reimbursement option. The Municap analysis shows that both rate options provide similar repayment amounts. There was general discussion on the rate option and term of agreement. Mr. Marchetti recommended the variable rate option for the long term with discussion continuing on why he recommends the variable rate option.

The Prior Costs and Construction Overrun Agreement states that the Developer will be responsible for construction costs that exceed the bond proceeds. Following discussion and upon motion duly made and seconded, it was unanimously

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**RESOLVED** to approve the District Coordinating Services Agreement between Alpine Metropolitan District and Breckenridge Mountain Metropolitan District Subdistrict A; and

**FURTHER RESOLVED** to approve the Prior Costs and Cost Overrun Funding Agreement (Subdistrict Gondola Project) between Breckenridge Mountain Metropolitan District Subdistrict A and Parking Structure LLC with the variable interest rate option; and

**FURTHER RESOLVED** to approve Funding and Reimbursement Agreement (Operations and Maintenance) between Breckenridge Mountain Metropolitan District Subdistrict A and a BGV entity to be determined.

**Future Meetings** Due to a scheduling conflict, the Board cancelled the regular meeting for September 22 and set a special meeting for September 15 via remote meeting.

**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 28th day of July 2022.

Respectfully submitted,



Beth Johnston  
Recording Secretary