

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF

WATERFALL METROPOLITAN DISTRICT NO. 1
WATERFALL METROPOLITAN DISTRICT NO. 2

HELD
December 7, 2010

The Coordinated Special Meeting of the Boards of Directors (collectively, “Board”) of the Waterfall Metropolitan District No. 1 and Waterfall Metropolitan District No. 2 was held at the offices of McWhinney, 2725 Rocky Mountain Ave, Suite C, Loveland, Colorado 80538 on December 7, 2010, at 3:00 p.m.

ATTENDANCE

Directors in Attendance Were:

Mike Bergerson – District No. 1
Cole Evans – District Nos. 1 & 2
Tammi Lau – District Nos. 1 & 2
Troy McWhinney – District Nos. 1 & 2
Steve Schroyer – District Nos. 1 & 2

Also in Attendance Were:

Alan Pogue, Icenogle, Seaver & Pogue, P.C.
Peggy Dowswell, Pinnacle Consulting Group Inc.
Carla Hawkins, Pinnacle Consulting Group Inc.
Josh Magden, George K. Baum Company

CALL TO ORDER

The meeting was called to order at 3:03 pm by Director McWhinney as Chairman, noting that a quorum was present. The Directors confirmed their qualifications to serve on the Boards.

COMBINED MEETINGS

The Districts are meeting in a combined board meeting. Unless otherwise noted, the matters set forth below shall be deemed to be the actions of the Waterfall Metropolitan District No. 1, with concurrence by the Waterfall Metropolitan District No. 2.

MEETING NOTICE

Ms. Carla Hawkins reported that Notice of the Meetings had been properly posted within each District’s boundaries, and that Notice was sent to the

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Larimer County Clerk and Recorder for posting. The notice also included agenda items.

CONFLICT OF INTEREST DISCLOSURE

Mr. Pogue, legal counsel, noted that notices of potential conflicts of interest for all Board Members were filed with the Colorado Secretary of State's Office, disclosing potential conflicts. Mr. Pogue advised the Board that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Board reviewed the agenda for the meeting, following which each Board Member present confirmed the contents of the written disclosures previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

APPROVAL OF AGENDA

The Board reviewed the agenda and approved the agenda with changes.

MEETING LOCATION RESOLUTION

Mr. Pogue presented the Resolution to Change Meeting Location to the offices of McWhinney at 2725 Rocky Mountain Ave, Loveland, CO 80538. Upon motion duly made by Director Schroyer and seconded by Director Lau, it was unanimously

RESOLVED to approve the Meeting Location Resolution.

BOND ISSUANCE UPDATE

Director McWhinney introduced Josh Magden from George K. Baum & Co. Mr. Magden presented a proposal from George K. Baum & Co. Investment Bank for issuing General Obligation Bonds. The Board reviewed additional historical data worksheets handed out by Mr. Magden. The Board discussed bond issuance cost estimates and timing. The Board discussed why issuing limited tax obligation bonds now stating that interest rates are at an all time low and the double tax exemption benefit. Director McWhinney suggested that the District consider issuing bonds in early January once investors are solicited. Director Bergerson stated the timing of issuing bonds this early may be at risk due to the lack of diversity and number of taxpayers within District No. 1; with only OCR's building currently

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constructed. After further discussion, the Board directed Mr. Magden to continue pursuing options for issuing bonds if investors can be found.

APPROVAL OF PAYABLES

Ms. Hawkins presented the Schedule of Payables as of December 7, 2010 totaling \$7,941.49 for November 2010 invoices. Upon motion duly made by Director Lau and seconded by Director Evans, it was unanimously

RESOLVED to approve the Schedule of Payable as noted above.

PUBLIC COMMENT

The Board opened the meeting to further public comments. Upon receiving no further comments, this portion of the meeting was closed.

ADJOURNMENT

There being no further business to come before the Board at this time, the meeting was adjourned at 3:15 pm.

Respectfully submitted,



Carla Hawkins
Secretary for the Meeting