

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF

WATERFALL METROPOLITAN DISTRICT NO. 1

HELD

September 8, 2009

The Special Meeting of the Board of Directors of the Waterfall Metropolitan District No. 1 was held at the offices of the Pinnacle Consulting Group Inc., 5110 Granite Street, Suite C, Loveland, Colorado, 80538 on September 8, 2009, at 9:00 am.

ATTENDANCE

Directors in Attendance Were:

Kirk A. Dando (via phone)
James A. Martell (via phone)
Larry S. Buckendorf (via phone)

Also in Attendance Were:

Alan Pogue, Icenogle, Norton, Smith, Gilida & Pogue, P.C.
Steve Hanson, Pinnacle Consulting Group Inc.
Carla Hawkins, Pinnacle Consulting Group Inc.

CALL TO ORDER

The meeting was called to order at 9:02 am by Director Dando as Chairman, noting that a quorum was present. The Directors confirmed their qualifications to serve on the Boards.

MEETING NOTICE

Ms. Hawkins reported that Notice of the Meetings had been properly posted within each District's boundaries, and that Notice was sent to the Larimer County Clerk and Recorder and City of Loveland for posting. The notice also included agenda items.

CONFLICT OF INTEREST DISCLOSURE

Mr. Pogue indicated that appropriate forms of disclosure had previously been sent to and completed by each of the Directors, and completed

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written forms of disclosure had been filed with the Secretary of State's office at least 72 hours in advance of the meeting as required by statute. Director Martell also disclosed that he was legal counsel for the Boyd Lake Village Owners Association.

APPROVAL OF AGENDA

The Board reviewed the agenda and approved the agenda without changes.

APPROVAL OF MINUTES

The minutes of the December 4, 2008 and December 18, 2008 Meetings were presented and reviewed. Upon motion duly made by Director Dando and seconded by Director Martell, it was unanimously

RESOLVED to approve the Minutes of the December 4, 2008 and December 18, 2008 Special Meetings, as presented.

APPROVAL OF PAYABLES

Ms. Hawkins presented the Schedule of Payables as of September 3, 2009 totaling \$7,940.17 for July and August 2009 payables and \$30,990.87 for payables reflecting January – June 2009 invoices. Upon motion duly made by Director Martell and seconded by Director Dando, it was unanimously

RESOLVED to approve the July and August 2009 payables and ratify approval of the January – June 2009 payables, as noted above.

Ms. Hawkins presented the Financial Statements dated July 31, 2009.

FUNDING & REIMBURSEMENT AGREEMENT

Mr. Pogue presented for the Board's consideration a Resolution Approving the Advance and Reimbursement Agreement and Issuance of a Subordinate Promissory Note as of September 8, 2009 with respect to the advancement and reimbursement of Capital Costs for Boyd Lake Village, LLC., in the amount of \$2,345,204; at a rate of prime plus 2; simple interest. Mr. Hanson reported that the District Engineer has requested additional documentation supporting a total amount \$1,332,116 that would increase the total reimbursement amount to \$3,677,320. Upon motion duly made by Director Martell and seconded by Director Dando, it was unanimously

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RESOLVED to approve the Resolution Approving the Advance and Reimbursement Agreement and Issuance of a Subordinate Promissory Notes for the advancement and reimbursement of Capital Costs by Boyd Lake Village, LLC, of \$3,677,320 subject to additional documentation being received and accepted by the District Engineer.

PUBLIC COMMENT

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

NEXT MEETING

The next meeting will be the budget hearing meeting and will need to be held prior to mid-December.

ADJOURNMENT

There being no further business to come before the Board at this time, the meeting was adjourned at 9:15 am.

Respectfully submitted,



Carla Hawkins

Secretary for the Meeting