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## RECORD OF PROCEEDINGS

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### Minutes of the Continued Joint Special Meeting Of the Boards of Directors

#### Buckhorn Valley Metropolitan District Nos. 1 and 2 February 8, 2008

A Continued Joint Special Meeting of the Boards of Directors of the Buckhorn Valley Metropolitan Districts Nos. 1 and 2, was held on February 8, 2008, at 4:00 p.m., at 0044 Indian Heights, Gypsum, Colorado, Eagle County, Colorado.

**Attendance** The following Directors were present and acting for each District:

- Dave Garton
- Samantha Gale
- Herb Eaton

The following Directors were absent and excused:

- Robert Kingston
- Sande Garton

Also in attendance was:

- Eric Weaver, Robertson & Marchetti, P.C..

**Call To Order** The Continued Joint Special Meeting of the Boards of Directors of Buckhorn Valley Metropolitan District Nos. 1 and 2 was called to order by Director Dave Garton, on February 8, 2008 at 4:00 p.m., noting a quorum was present. The Boards noted that the Districts are meeting in a combined board meeting of the two Districts. Unless otherwise noted, the matters set forth shall be deemed to be the action of Buckhorn Valley Metropolitan District No. 1 with concurrence by Buckhorn Valley Metropolitan District No. 2. Each board member affirmed being qualified to serve on the Boards.

#### **Disclosure of Potential Conflicts of Interest**

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: three members of the Districts' Boards of Directors have a direct financial interest in Roark Partners, LLLP as employees of the Developer (Samantha Gale, Herb Eaton, and Sande Garton) and David Garton is the general partner of the Developer. The Boards noted, for the record, that these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts.

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Buckhorn Valley Metropolitan Districts No. 1 and 2  
February 8, 2008 Meeting Minutes

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- Agenda** The Board reviewed the agenda and no changes were made.
- Bond Issuance** The Boards considered conversion of notes held by Buckhorn Valley #1 to bonds held by Buckhorn Valley #2. With the district in the process of changing developers, Roark Partners would prefer the bonds be made not subject to annual appropriation. The bond documents had been previously reviewed by the District's bond council, White, Bear & Ankele, District accounting and administrative service, Robertson & Marchetti, and President of the Boards and developer, Dave Garton. Multiple revisions were made to the satisfaction of all parties.
- The new bond will be set up as a cash-flow bond, whereby repayments only occur as funds are available. Bonds will have private placement with the developer. The current going rate for this type of bond is approximately 8%. Because the developer does not want to burden the District, the rate will be at 6% with no compounding of unpaid interest. The bond expiration will occur in 2038 and no unpaid amounts will be due. The mill levy is capped at 40 mills (35 mills Debt Service and 5 Mills operations) Gallagherized. Board member Gale asked if the 7% developer note compounding yearly could negatively affect the citizens, with Mr. Weaver explaining the mill levy is capped so will not have adverse effects.
- On motion duly made and seconded it was unanimously
- RESOLVED** to approve the resolution to approve bonds at 6% simple cash flow at \$8.5 million to be issued by Buckhorn Valley Metropolitan District #2 to be repaid to Buckhorn Valley Metropolitan District #1 to repay the developer note.
- Other Business** The Board requested a letter be drafted from Dave Garton that explains Saddle Ridge. The letter should include the following:
- Two pumps in the pumphouse – 1 BVMD 1 Saddle Ridge  
2 Pipes - 1 BVMD 1 Saddle Ridge  
BVMD pipe goes to the pond by the tank  
Saddle Ridge pipe goes to multiple ponds
- Adjournment** There being no further business to come before the Board at this time, upon motion duly made and seconded, it was unanimously

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February 8, 2008 Meeting Minutes**

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**RESOLVED** to adjourn the Joint Special meeting of Buckhorn Valley Metropolitan District Nos. 1 and 2 Board of Directors held this 8<sup>th</sup> day of February, 2008.

Respectfully submitted,



Eric Weaver  
Secretary for the Meeting