
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT September 26, 2007

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., September 26, 2007 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

- Stephen Friedman
- Mike Balk
- John Forstmann
- Ernie Elsner
- Robert Gary

Absent and excused was Director:

Also in Attendance were:

- James Collins, Esq., Collins, Cockrel & Cole
- Ken Marchetti, CPA Robertson and Marchetti, P.C.
- Clyde Hanks, General Manager
- Kathy Lewensten, Recording Secretary
- Heather Nolan, Administrative Assistant
- Tom Schouten, BCPOA
- Tony O'Rourke, BCRC
- Bill Simmons, BC Operations
- Jim Funk, BC Public Safety
- John Garnsey, COO Beaver Creek

Call to Order

The Regular Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Director Friedman, Chairman of the Board, noting that a quorum was present. Director Friedman confirmed that prior to the meeting each of the Directors had been notified of the meeting and that written notice was duly posted at the Eagle County Clerk and Recorder's Office and at three public places within the District.

Conflicts

The Board noted that it had received certain disclosures of potential conflict of interest statements more than seventy-two hours prior to the meeting for each of the following Directors, indicating the following conflicts: Mr. Stephen Friedman is a board member of the Beaver Creek Arts Foundation which operates the

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performing arts facilities within Beaver Creek; Mr. John Forstmann is a board member of the Beaver Creek Club; Mr. Ernest Elsner is a board member of the Beaver Creek Property Owners Association; Mr. Michael Balk is a director of the Beaver Creek Property Owners Association and a director of the Vilar Center for the Arts; and Mr. Robert Gary is a member of the Beaver Creek Property Owners Association and the Vilar Center for the Arts Committee. The Board noted for the record that these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts.

Minutes

The Board reviewed the minutes of the August 22, 2007 Regular Meeting. Upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the minutes of the August 22, 2007 Regular Meeting as presented.

Agenda

Director Balk requested an update regarding the planning meetings for the intersection of Prater Road and Highway 6.

Future Meetings

The Board reviewed the meeting schedule included in the packet. A Board Retreat is scheduled to begin at noon on Thursday, September 27th and last through mid-day Friday, September 28th at the Hotel Teatro. A Budget Work Session is scheduled for Wednesday, October 10, 2007 at 8:30 a.m. in the conference room at the District Administration Facility. The next regular meeting is scheduled for Wednesday, October 24, 2007 at 8:30 a.m. at the District Administration Facility.

Public Input

Mr. Schouten mentioned portions of fencing along the recreation path are down. Mr. Hanks explained this matter was being reviewed and is tentatively scheduled as a project in October. He noted the style of fencing is being reviewed and may be changed. He is checking with BCRC for input as to the style of fencing being used by them to create consistency throughout Beaver Creek.

Mr. Schouten informed the Board the PUD amendment which would prohibit vacation/timeshare ownership in single family areas of Beaver Creek had been tabled from the first hearing by the Eagle County Planning Commission to December 19th. The

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Vacation Club had been represented by their counsel at the first hearing to defend their position opposing this amendment. Mr. Schouten noted BCPOA will remain very active with this issue and will likely involve their counsel.

Mr. Schouten reported BCPOA was unable to negotiate a dismissal related to the ongoing BGMD lawsuit. It is anticipated the Court will issue a “no progress notice” in early October. Vail Resorts, BCPOA and Strawberry Park Owners Association (SPOA) will be filing paperwork to attempt to bring the matter to a close.

General Manager Update

Draft Roadway Acceptance Regulations: Mr. Hanks referred to the Draft Roadway Acceptance Procedures included in the packet. He explained the District had received a letter from the Pines Town Homes requesting the District assume maintenance of their private roadway. The letter and the Districts response were included in the board packet. Mr. Hanks stated this letter prompted him to take a broader look at the roadways within the District to determine ownership and responsibilities of the District. He is working on developing a map which reflects the ownership of the various roadways. He noted the District has Roadway Design and Construction Regulations in place explaining any roadway under consideration for acceptance by the District would need to meet these guidelines. The Draft Roadway Acceptance Procedures are being proposed and developed to help define a consistent procedure for the District. He suggested the Board discuss this topic in more detail at the upcoming retreat. Mr. Collins noted an Indemnification Agreement could be used if the District were to snow plow roadways which have not been accepted by the District. Mr. Schouten noted he has heard comments by property owners on Bachelor Gulch Road expressing concern that they are paying property taxes but not receiving the services expected. Mr. Hanks will continue researching the matter.

BC Fire Station Improvements: Mr. Hanks reported the new siding and windows at the BC fire station have been completed. The punch list should be complete in the next few weeks. He reported on an accident which occurred at the station, a fire engine had backed into the garage door. Repairs will be made to fix the damage.

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Town of Avon Service Agreement: Mr. Hanks reported the District just received the 2008 renewal agreement for maintenance services provided by the Town of Avon on the District equipment. He noted the hourly rate would change from \$95 to \$100 with the remainder of the agreement remaining the same. The Board asked about the type of work performed for the District. Mr. Hanks replied preventative maintenance, major repair and overhaul work was being performed. He noted the District shop now has the ability to do some of the minor preventative maintenance in house. The Board requested Mr. Hanks meet with Mr. Simmons to review the options for maintenance for future needs noting the District may be able to better utilize the existing facility to help reduce the outside repair costs. No action was taken; the agreement will be brought back to a future meeting.

Wildland Fire Mitigation: Vail Resorts has sub-contracted crews to work on fire mitigation in the gully at Strawberry Park. Trees are being cut down and removed. They found a party that would purchase the downed trees. The intention is to take any money received for the trees and reinvest it into the mitigation effort. Mr. Garnsey reported there is an ongoing dialogue between the Forest Service and VR regarding “patch cutting” that is being done on a trail basis. He noted it would be a multi year process. He explained the areas generally have a variety of trees such as aspen, spruce and lodge pole pine which help reduce the visual impact and encourage faster recovery. Mr. Funk reported Bachelor Gulch Metropolitan District has contacted Anchor Point to provide an assessment for their area.

Encroachments: Mr. Hanks reported no new encroachments had been received.

Strategic Planning: Mr. Hanks handed out an agenda and map for the Board Retreat.

Prater Rd & Hwy 6 Intersection: Mr. Hanks reported he had contacted Mr. Nickson from BGMD to request appointment of two representatives from BGMD to participate on a committee with two representatives from both BCRC and the District to study the alternatives for the intersection at Highway 6 and Prater Road. Mr. Nickson stated he would bring the request to the next meeting of

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BGMD which will be held later today. Director Balk requested any information regarding the problem and proposed solutions at the intersection that was available for review. Mr. Hanks will provide copies of the information he has.

Emergency Planning: Mr. Funk reported he has been attempting to organize an emergency evacuation drill for Beaver Creek for some time. He wants to include BC Public Safety staff, the Sheriff's office, the Eagle County Emergency Response Manager and ERFPD. It has been necessary to reschedule the event several times due to the unavailability of ERFPD personnel. ERFPD is undergoing some re-organization internally and the personnel it wanted to have participate were unavailable due to training on the previous dates proposed. He hopes to hold the drill in October.

ERFPD

It was reported that ERFPD has withdrawn their notice of termination. Mr. O'Brien from the ERFPD Board has offered to meet with a representative from the District to discuss the concerns of ERFPD regarding BC Public Safety staffing. It was reported the District had requested more detail of the issues and concerns but has not received any response. Director Friedman offered to meet with Mr. O'Brien.

Prater Gate Project

Mr. O'Rourke stated the work at the Prater Road gatehouse has begun. He noted there have been no weather delays so the project is ahead of schedule.

Mr. O'Rourke also noted there is work being done at the front gate to install better lighting and a flagpole. He reported he has received very positive feedback regarding the new sidewalk and the remodeled front entrance.

Other Business

The Board asked what decision had been reached regarding the color for decorative lighting. Mr. O'Rourke responded BCRC would be using decorative lights called "pure white" which have a blue tint. He explained prior decorative lighting had been "warm white" which has an orange tint. The Board noted the input from the property owner survey had indicated an overwhelming preference for the "warm white" over a blue tinted light. Director Forstmann suggested if the Board wished the District could restrict the use of the "pure white" lights within the District rights of way.

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Mr. O'Rourke stated he did not feel the survey had been large enough to truly represent the Beaver Creek community, including the retail sector. Mr. Garnsey explained the BCRC Board had left the decision to staff since both choices were "white" lights. It was pointed out that it was a mistake to ask for a survey and input if the results of the survey were going to be ignored. The Board asked if BCRC would re-consider the input given by the survey. Mr. Garnsey offered to have the BCRC Board re-address this issue at the next meeting.

Legal

Market Square: Mr. Collins reported progress has been made regarding the Market Square conveyance matter. He explained the method and procedures related to the conveyance have been determined so documents can be drafted. Mr. O'Rourke stated the District should budget for the unit and the escalators to be conveyed around Feb 1, 2008.

By Laws: Mr. Collins referred to the revised By-Laws that were included in the packet. He explained the By-Laws had been updated to comply with the latest legislative changes. He noted an audit committee of two members will need to be appointed prior to the next audit. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the revised Beaver Creek Metropolitan District By-Laws as presented, and

FURTHER RESOLVED to appoint Director Elsnor and Director Gary to the District audit committee.

DAR Vehicle Request

The Board considered the request from BCRC for titles to three 2002 Terra Transit Dial-a-ride buses. BCRC wishes to dedicate them to several non-profit organizations. The Board discussed the matter noting the Resort Company is the primary financing partner in the transportation operation. The Board had no objection to the request and therefore authorized the conveyance of the three 2002 Terra Transit Dial-a-ride bus titles to BCRC.

Transportation Agreement Amendments

Mr. Simmons presented the Transportation Agreement Amendments for consideration.

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4th Amendment Inter-village

Mr. Simmons reviewed the Fourth Amendment to Inter-village Transportation System Agreement included in the packet. This agreement covers the inter-village routes between Bachelor Gulch, Beaver Creek and Arrowhead. Mr. Simmons pointed out the percentages for Beaver Creek have remained the same. The hourly rate has been increased 4%. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the execution of the Fourth Amendment to Inter-village Transportation System Agreement.

6th Amend DAR Transportation Agreement

Mr. Simmons reviewed the Sixth Amendment to First Restated and Amended Transportation System Services Agreement included in the packet. This agreement provides for the Dial a Ride services (DAR). There is an increase in costs of approximately 4%. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the execution of the Sixth Amendment to First Restated and Amended Transportation System Services Agreement.

Transportation Leases

Mr. Marchetti described the transportation leases as proposed from Wells Fargo. He noted the District has dealt with Wells Fargo in the past and has found them to be very competitive. The rates proposed are 4.25% for the 7 year lease for Parking Lot vehicles and 4.15% for the 5 year DAR vehicles. Mr. Marchetti recommended the Board approve the Wells Fargo leases. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve authorizing entering into two lease purchase financing proposals as described on the Resolutions which are hereby attached to become part of the minutes, and

FURTHER RESOLVED to authorize the execution of the documents by Mr. Clyde Hanks, General Manager and Mr. Ken Marchetti, Secretary on behalf of the District.

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Financial Statements

The Board reviewed the August 2007 preliminary financial statement included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the August 2007 preliminary financials as presented.

Accounts Payable

The Accounts Payable listing was reviewed. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve and ratify the accounts payable list as presented.

Adjournment

There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Regular Meeting of the Beaver Creek Metropolitan District Board of Directors held on September 26, 2007.

Respectfully submitted,

Kathy Lewensten
Secretary for the meeting