

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF WATERFALL METROPOLITAN DISTRICT NO. 1

HELD
June 20, 2016

The Board of Directors of Waterfall Metropolitan District No. 1 held a special meeting, open to the public, at 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 2:00 p.m., Monday, June 20, 2016. Notice of the meeting has been duly posted with the Larimer County Clerk and Recorder and posted in three public places within the boundaries of the District.

ATTENDANCE

Directors in Attendance Were:

Kim Perry, President
Jim Niemczyk, Secretary (arrived at 2:06 p.m.)
Cole Evans, Asst. Vice President & Asst. Secretary
Tammi Lau, Treasurer & Asst. Secretary
Mike Bergerson, Vice President & Asst. Secretary (Via Telephone)

Also in Attendance Were:

Alan Pogue; Icenogle Seaver Pogue, P.C. (Via Telephone)
Brendan Campbell and Shana Morgan; Pinnacle Consulting Group, Inc.

CALL TO ORDER

The meeting was called to order at 2:02 p.m. by Director Perry as President, noting that a quorum was present. The Directors confirmed their qualifications to serve on the Board.

MEETING NOTICE

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

CONFLICT OF INTEREST

Mr. Pogue noted that notices disclosing all potential conflicts of interest for all Board Members were filed 72 hours in advance of the meeting with the Colorado Secretary of State's Office and with the Board. 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

RECORD OF PROCEEDINGS

at the meeting. Additionally, the Board determined that the participation of the member's present was necessary to obtain a quorum or otherwise enable the Board to act.

APPROVAL OF AGENDA

The Board reviewed the agenda. Upon motion duly made by Director Lau, seconded by Director Evans, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda as presented.

ELECTION OF OFFICERS

Ms. Morgan reported that Directors Bergerson, Niemczyk, and Lau were elected by acclamation on May 3, 2016, each to four year terms. The Board turned to the issue of electing Officers for the District. Upon motion duly made by Director Lau, seconded by Director Evans, and upon vote, unanimously carried, the Officers were elected as follows:

| | |
|--|----------------|
| President & Chairman | Kim Perry |
| Vice President & Asst. Secretary | Mike Bergerson |
| Secretary | Jim Niemczyk |
| Treasurer & Asst. Secretary | Tammi Lau |
| Asst. Vice President & Asst. Secretary | Cole Evans |

APPROVAL OF MINUTES

The Minutes of the April 29, 2016 Special Meeting were presented and reviewed. Upon motion duly made by Director Bergerson, seconded by Director Evans, and upon vote, unanimously carried, it was

RESOLVED to approve the Minutes of the April 29, 2016 Special Meeting, as presented.

PUBLIC COMMENT

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

RATIFICATION OF PAYABLES

Mr. Campbell presented for ratification the Schedule of Payables for April 26, 2016 through June 20, 2016, totaling \$39,092.57, including check numbers 1483 through 1492. Upon motion duly made by Director Evans, seconded by Director Lau, and upon vote, unanimously carried, it was

RESOLVED to ratify the Schedule of Payables in the amount and check numbers noted above.

RECORD OF PROCEEDINGS

DISTRICT BANK ACCOUNT

Mr. Campbell requested the Board consider closing the First National Bank account and opening an account with First Bank. Following review and discussion, upon motion duly made by Director Lau, seconded by Director Evans, and upon vote, unanimously carried, it was

RESOLVED to approve closing the First National Bank account and opening an account with First Bank.

FIRST AMENDMENT TO LOAN AGREEMENT

Mr. Campbell reported that the maturity date on the current loan with U.S. Bank is June 28, 2016. U.S. Bank agreed to extend the loan to September 28, 2016. Mr. Pogue then presented the Resolution Approving the 2016 First Amendment to Loan Agreement (Extension), the issuance of a Promissory Note related to same, approving all additional documents required by legal counsel to implement the transaction, and authorizing the President and all Directors to execute such documents. Following discussion, upon motion duly made by Director Evans, seconded by Director Niemczyk, and upon vote, unanimously carried, it was

RESOLVED to approve the Resolution Approving 2016 First Amendment to Loan Agreement (Extension).

UPDATE ON 2016 REFINANCE

Mr. Pogue and Mr. Campbell discussed the options for a long-term refunding of the 2011 U.S. Bank Loan, as amended. Mr. Pogue and Mr. Campbell explained that D.A. Davidson is working on options for a long term financing, with a senior-subordinate structure, or similar structure, taking into account existing assessed value and potential growth within the development. Following discussion, upon motion duly made by Director Evans, seconded by Director Niemczyk, and upon vote, unanimously carried, it was

RESOLVED to authorize District staff and Ms. Perry to proceed with DA Davidson, underwriter, and Kutak Rock, bond counsel, to prepare documents necessary to implement the long-term refunding with an expected closing date of August, 2016; and it was

FURTHER RESOLVED that final documentation would be presented to the Board for formal approval.

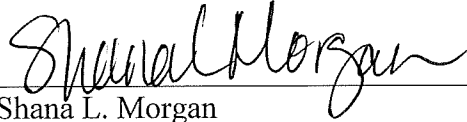
No additional items were brought before the Board.

RECORD OF PROCEEDINGS

ADJOURNMENT

There being no further business brought before the Board, and upon motion, second and unanimous vote, the meeting was adjourned at 2:15 p.m.

Respectfully submitted,



Shana L. Morgan

Recording Secretary for the Meeting