

RECORD OF PROCEEDINGS

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

HELD
September 15, 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 9:00 a.m., Thursday, September 15, 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

Mike Bergerson, Vice President & Asst. Secretary (Via Telephone)

Directors Absent and Excused:

Cole Evans, Asst. Vice President & Asst. Secretary

Tammi Lau, Treasurer & Asst. Secretary

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 9:03 a.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

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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 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 Niemczyk, seconded by Director Bergerson, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as presented.

APPROVAL OF MINUTES

The Minutes of the June 20, 2016 Special Meeting were presented and reviewed. Upon motion duly made by Director Niemczyk, seconded by Director Bergerson, and upon vote, unanimously carried, it was

RESOLVED to approve the Minutes of the June 20, 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.

UPDATE ON 2016 REFINANCING

Mr. Campbell updated the Board on the 2016 refinancing process, noting that the review had taken longer than expected, and U.S. Bank agreed to extend the loan to December 31, 2016

SECOND AMENDMENT TO LOAN AGREEMENT

Mr. Pogue presented the Resolution Approving the 2016 Second 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 Niemczyk, seconded by Director Bergerson, and upon vote, unanimously carried, it was

RESOLVED to approve the Resolution Approving 2016 Second Amendment to Load Agreement (Extension).

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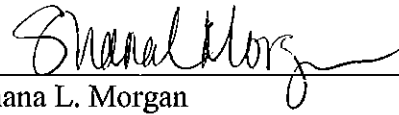
DISTRICT
MANAGER'S
REPORT

Ms. Morgan provided an update on Operations and Maintenance at the District.

ADJOURNMENT

There being no further business brought before the Board, and upon motion, second and unanimous vote, the meeting was adjourned at 9:11 a.m.

Respectfully submitted,



Shana L. Morgan
Recording Secretary for the Meeting