

RECORD OF PROCEEDINGS

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

HELD
October 31, 2014

A Special Meeting of the Board of Directors of the Waterfall Metropolitan District No. 1 was held at the offices of McWhinney, 2725 Rocky Mountain Ave, Suite 200, Loveland, Colorado 80538 on October 31, 2014 at 11:00 a.m.

ATTENDANCE

Directors in Attendance Were:

Kim Perry, President
Mike Bergerson, Vice President & Asst. Secretary
Cole Evans, Asst. Vice President & Asst. Secretary
Jay Hardy, Secretary
Tammi Lau, Treasurer & Asst. Secretary

Also in Attendance Were:

Alan Pogue, Icenogle, Seavers & Pogue, P.C.
Brendan Campbell and Carla Hawkins, Pinnacle Consulting Group, Inc.

CALL TO ORDER

The meeting was called to order at 11:03 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. Carla Hawkins reported that notice of the meeting had been properly posted within each District's boundaries, and that notice was sent to the Larimer County Clerk and Recorder for posting. The notice also included agenda items.

CONFLICT OF INTEREST DISCLOSURE

Mr. Pogue, legal counsel, noted that notices of potential conflicts of interest for all Board Members were filed with the Colorado Secretary of State's Office, disclosing potential conflicts. 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

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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 members 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 Hardy, and seconded by Director Lau, it was unanimously

RESOLVED to approve the agenda as presented.

APPROVAL OF MINUTES

The Minutes of the October 24, 2013 Special Meeting were presented and reviewed. Upon motion duly made by Director Hardy, and seconded by Director Evans, it was unanimously

RESOLVED to approve the Minutes of the October 24, 2013 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 October 19, 2013 through October 16, 2014 totaling \$166,834.36 including check numbers 1304 through 1375. Upon motion duly made by Director Hardy, and seconded by Director Evans, it was unanimously

RESOLVED to ratify the Schedule of Payable noted above.

FINANCIAL REPORT

Mr. Campbell presented the Financial Report including the statement of revenues and expenditures through August 31, 2014.

2014 BUDGET AMENDMENT

Director Perry opened the 2014 Budget Amendment Hearing for Waterfall Metropolitan District No. 1. Ms. Hawkins reported that notice of the budget hearing had been published in accordance with state budget law. There being no public input, the public hearing portion of the budget hearing was closed. Following discussion and upon motion duly made by Director

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Hardy, and seconded by Director Bergerson, it was unanimously

RESOLVED to amend the 2014 Debt Service Fund Budget as presented.

2015 BUDGET HEARING & ADOPTION OF RESOLUTIONS

Director Perry opened the 2015 Budget Hearing to the public. Ms. Hawkins reported that notice of the hearing had been published on October 24, 2014 and in accordance with state budget law. There being no public input, the public hearing portion of the budget was closed. Mr. Campbell reviewed the budget and answered questions pertaining to the mill levy, estimated revenues and expenditures, and operation and maintenance assessments to finance the District. The Board considered the following:

Mill levy is 45.000 mills.
General Fund Expenditures: \$108,128
Funded by Operation and Maintenance Assessments.
Capital Fund Expenditures: \$30,000
Funded by MBL 34, LLC Advances.
Debt Service Fund: \$120,687

After further review and discussion, and upon motion duly made by Director Hardy, and seconded by Director Evans, it was unanimously

RESOLVED to approve the Resolutions to Adopt the 2015 Budget and Appropriate budgeted funds with final certification of values received from Larimer County, and approve all other documents related to the 2015 Budget including certifying a 45 mill levy. The Capital Fund Budget was approved contingent upon MBL 34, LLC (developer) advancing funds. The District Manager is authorized to make minor modifications that may be necessary with receipt of final assessed values.

MANAGERS' REPORT

Consideration of Engagement Letter with Icenogle Seaver Pogue: Ms. Hawkins presented for the Board's consideration an Engagement Letter between the District and Icenogle Seaver Pogue for legal services. Upon motion duly made by Director Lau, and seconded by Director Hardy, it was unanimously

RESOLVED to ratify the Engagement Letter noted above.

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Consideration of Service Agreement with Brickman: Ms. Hawkins presented for the Board's consideration a Service Agreement between the District and Brickman for 2014 Landscape and Snow Removal Services. Director Bergerson noted the landscape services this year were improved over previous years. Upon motion duly made by Director Hardy, and seconded by Director Evans, it was unanimously

RESOLVED to ratify the Service Agreement between the District and Brickman for 2014 Landscape and Snow Removal Services.

Consideration of Service Agreement with Goltz Asphalt: Ms. Hawkins presented for the Board's consideration a Service Agreement between the District and Goltz Asphalt for parking lot sealcoat services. Upon motion duly made by Director Hardy, and seconded by Director Evans, it was unanimously

RESOLVED to ratify the Service Agreement between the District and Goltz Asphalt.

LEGAL ITEMS

Annual Administration Resolution: Mr. Pogue presented the 2015 Annual Administrative Matters Resolution; noting that it outlines the operations of the Board, directs District's legal counsel and consultants in their administration of the District and directs them to make all necessary compliance filings. Upon motion duly made by Director Evans, and seconded by Director Hardy, it was unanimously

RESOLVED to approve the 2015 Annual Administrative Resolution; reaffirm the current slate of officers; appoint Icenogle, Seaver & Pogue, P.C. legal counsel, and appoint Pinnacle Consulting Group Inc., district manager, accountant and administrator.

Amended and Restated Public Records Policy: Mr. Pogue presented the Amended and Restated Public Records Policy for the Board's consideration. Upon motion duly made by Director Hardy, and seconded by Director Lau, it was unanimously

RESOLVED to approve the Amended and Restated Public Records Policy.

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2015 Advance and Reimbursement Agreement: Mr. Pogue presented the 2015 Advance and Reimbursement Agreement between the District and MBL 34, LLC for Capital Advances and the Issuance of a Subordinate Promissory Note in an amount not to exceed \$40,000 at a rate of prime plus two (2) compounded annually, for the Board's consideration. Upon motion duly made by Director Hardy, and seconded by Director Bergerson, it was unanimously

RESOLVED to approve the 2015 Advance and Reimbursement Agreement between the District and MBL 34, LLC for Capital Advances and the Issuance of a Subordinate Promissory Note in an amount not to exceed \$40,000, subject to MBL 34, LLC's approval for funding.

2014 Legislation: Mr. Pogue presented a summary of the 2014 legislative items to the Board and briefly commented on potential legislation matters anticipated for 2015.

ITEMS FROM
DIRECTORS

Director Bergerson asked whether or not the district was on track for repaying the current debt. Director Hardy noted that the original issuance of the loan was done on the current development without the forecast of future development to pay on the loan in future years.

ADJOURNMENT

There being no further business to come before the Board at this time, the meeting was adjourned at 11:34 a.m.

Respectfully submitted,



Carla Hawkins
Secretary for the Meeting