CERTIFIED RECORD

OF

PROCEEDINGS

WATERFALL METROPOLITAN DISTRICT NO. 1
(IN THE CITY OF LOVELAND)
LARIMER COUNTY, COLORADO

RELATING TO

SENIOR GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS, SERIES 2022A

AND

SUBORDINATE GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS, SERIES 2022B

STATE OF COLORADO)
)
LARIMER COUNTY)
)
WATERFALL METROPOLITAN DISTRICT NO. 1)

The Board of Directors of Waterfall Metropolitan District No. 1, in the City of Loveland, Larimer County, Colorado, met in special session held at the offices of the Community Development Group, 2500 Arapahoe Avenue, Suite 220, Boulder, Colorado 80302 and via Microsoft Teams meeting: Click here to join the meeting or by telephone at 720-721-3140 Meeting ID: 785 521 19#; on Monday, the 4th day of April, 2022, at the hour of 11:30 a.m.

The following members of the Board of Directors were present, constituting a quorum:

Board Member	Office
Kim Perry	President and Chair
Abby Kirkbride	Vice President/Asst. Secretary
Rishi Loona	Vice President/Asst. Secretary
Samantha Salazar	Secretary

Absent:

Timothy DePeder	Treasurer

Thereupon there was introduced the following resolution:

RESOLUTION

WHEREAS, Waterfall Metropolitan District No. 1, in the City of Loveland, Larimer County, Colorado (the "**District**"), District is a quasi-municipal corporation and political subdivision duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly Title 32, Article 1, C.R.S; and

WHEREAS, the District was duly and validly created as a quasi-municipal corporation and political subdivision of the State of Colorado, by order and decree of the District Court for Larimer County, Colorado (the "**County**") issued on May 29, 2008 in accordance with the provisions of Title 32, Article 1, Colorado Revised Statutes (the "**Special District Act**"), and with the power to provide certain public infrastructure improvements and services, including street improvements, traffic and safety improvements, water improvements, storm and sanitation improvements, park and recreation improvements, transportation improvements, mosquito control improvements, and other infrastructure within and without its boundaries (collectively, the "**Public Improvements**"), as authorized pursuant to the Consolidated Service Plan for Waterfall Metropolitan District Nos. 1 & 2, dated March 10, 2008 and approved by the City of Loveland, Colorado (the "**City**") on April 1, 2008 (as further amended and restated from time to time, the "**Service Plan**"), and as otherwise authorized under applicable law; and

WHEREAS, at the election of the qualified electors of the District duly called for and held on Tuesday, May 6, 2008 (the "**Election**"), in accordance with law and pursuant to due notice, a majority of eligible electors who voted at such election voted in favor of, inter alia, the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, for the purpose of funding the Public Improvements, and for the purpose of refunding such indebtedness; and

WHEREAS, the return of the Election was duly canvassed and the results thereof duly declared; and

WHEREAS, pursuant to the terms of the Service Plan, the District is authorized and permitted to issue up to $12,000,000 in debt to finance Public Improvements, not including refundings of existing debt; and

WHEREAS, it has been determined by the District that it is necessary to finance and refinance Public Improvements and that for the purpose of issuing debt to refund existing debt, the District should authorize the incurrence of debt in the form of the bonds described herein; and

WHEREAS, the District previously issued its Limited Tax General Obligation Refunding Bonds, Series 2016A in the aggregate principal amount of $1,710,000 on December 27, 2016 (the "**Series 2016A Bonds"**), for the purpose of refunding certain outstanding obligations of the District; and

WHEREAS, MBL 34, LLC ("**MBL**") constructed certain Public Improvements and conveyed the same to the District in exchange for the District's issuance to MBL of a Revenue and Limited Tax Obligation Subordinate Promissory Note dated as of December 27, 2016 in the aggregate principal amount of $2,486,471.25 (the "**2016 MBL Subordinate Note**"); and

WHEREAS, the District previously issued its Limited Tax General Obligation Bonds, Series 2018 in the aggregate principal amount of $2,211,000 on March 29, 2018 (the "**Series 2018 Bonds"**), for the purpose of financing a portion of the costs of the Public Improvements; and

WHEREAS, after extended discussions and consultation, it has been determined by the Board that it is necessary and in the best interest of the District and its residents to pay the costs of (i) paying and discharging the Series 2016A Bonds and the Series 2018 Bonds, and all or a portion of the 2016 MBL Subordinate Note (collectively, the "**Refunded Obligations**"), (ii) funding a reserve fund for the Series 2022A Senior Bonds (as defined below), and (iii) paying costs of issuance in connection with the Bonds (as defined below) (collectively, the "**Project**"); and

WHEREAS, the District wishes to refund the Refunded Obligations in order to achieve interest rate savings and effect other economies; and

WHEREAS, the Board has determined and hereby determines that it is in the best interests of the District, and the residents and taxpayers thereof, that the Project be financed by the issuance of general obligation limited tax bonds, and that for such purpose there shall be issued the District's (i) Senior General Obligation Limited Tax Refunding Bonds, Series 2022A (the "**Series 2022A Senior Bonds**"), and (ii) Subordinate General Obligation Limited Tax Refunding Bonds, Series 2022B (the "**Series 2022B Subordinate Bonds**") (collectively, the Series 2022A Senior Bonds and the Series 2022B Subordinate Bonds are referred to herein as the "**Bonds**"); and

WHEREAS, the Bonds will be issued and secured by two separate Indentures of Trust, one for each series (individually, an "**Indenture**" and collectively, the "**Indentures**"), between the District and UMB Bank, n.a., as trustee (the "**Trustee**"); and

WHEREAS, the Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., the Refunding Act (defined herein), and all other laws thereunto enabling; and

WHEREAS, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

WHEREAS, the Bonds shall be limited obligations of the District, payable solely from the revenues pledged thereto by the applicable Indenture; and

WHEREAS, the Bonds initially shall be issued in denominations of $500,000 each, and in integral multiples above $500,000 of not less than $1,000 each, and the Bonds will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

WHEREAS, pursuant to the provisions of Section 32-1-1101(6)(a)(IV), C.R.S., the Bonds are being issued only to "financial institutions or institutional investors" as such terms are defined in Section 32-1-103(6.5), C.R.S.; and

WHEREAS, the Bonds are being issued for the purpose of refinancing District debt (consisting of the Refunded Obligations) at a lower interest rate, and, in accordance with

Article X, Section 20 of the Colorado Constitution, the Board now determines that: (a) no portion of the District's electoral authorization for indebtedness shall be required to be allocated to the portion of the Bonds that does not exceed the outstanding principal amount of the Refunded Obligations; and (b) there shall be allocated to the District's electoral authorization at the Election for indebtedness for refunding the principal amount of such portion of the Bonds that exceeds the outstanding principal amount of the Refunded Obligations; and

WHEREAS, the Board has been presented with a proposal in the form of a Bond Purchase Agreement (the "**Bond Purchase Agreement**") from Wells Fargo Securities, LLC, of Denver, Colorado (the "**Underwriter**"), to purchase the Bonds; and

WHEREAS, after consideration, the Board has determined that the sale of the Bonds to the Underwriter is in the best interests of the District and the residents thereof; and

WHEREAS, pursuant to §32-1-902(3), C.R.S., and §18-8-308, C.R.S., all known potential conflicting interests of the Directors were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with §24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the issuance of the Bonds in writing to the Secretary of State and the Board; finally, said officials have stated for the record immediately prior to the adoption of this Bond Resolution the fact that they have said interests and the summary nature of such interests and the participation of said officials is necessary to obtain a quorum or otherwise enable the Board to act; and

WHEREAS, there has been presented to this meeting of the Board the current forms of the "**Financing Documents**" as defined hereafter; and

WHEREAS, the Board desires to authorize the issuance and sale of the Bonds and the execution of the Financing Documents;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF WATERFALL METROPOLITAN DISTRICT NO. 1:

Section 1. Definitions. Unless the context indicates otherwise, as used herein, capitalized terms shall have the meanings ascribed by the preambles hereto and the applicable Indenture, and the following capitalized terms shall have the respective meanings set forth below:

Authorized Officer: the person or persons authorized to sign the Indentures and the Bond Purchase Agreement pursuant to the Delegated Authority, and to sign other documents pertaining to the Bonds as provided in this Bond Resolution, which shall be any member of the Board.

Bond Resolution: this resolution which authorizes the issuance of the Bonds, and any amendment or supplement lawfully made hereto.

Continuing Disclosure Agreement: an agreement, certificate, or undertaking of the District to provide certain post-issuance information as described in the Limited Offering Memorandum.

Delegated Authority: the authority delegated by this Bond Resolution to any Authorized Officer to sign the Bond Purchase Agreement and to make the following determinations with respect to the Bonds in the Indentures, which determinations shall be subject to the restrictions and parameters set forth below:

(1) the rate or rates of interest on the Bonds;

(2) the conditions on which and the prices at which the Bonds may be redeemed before maturity;

(3) the existence and amount of any capitalized interest or reserve funds;

(4) the price or prices at which the Bonds will be sold;

(5) the principal amount and denominations of the Bonds;

(6) the amount of principal maturing in any particular year;

(7) the dates on which principal and interest shall be paid; and

(8) providing for financial guaranty insurance policies and/or debt service reserve fund surety policies, if any, with respect to the Bonds.

The foregoing authority shall be subject to the following restrictions and parameters:

(1) the interest rate or rates on the Bonds shall be such that the Bonds bear interest at a net effective interest rate which does not in the aggregate exceed 8.0%;

(2) the total repayment cost of the Bonds and the maximum annual repayment costs thereof shall not exceed, respectively, the total repayment cost and maximum annual tax increase limitations of the Election;

(3) the sale price of the Bonds shall be an amount not less than 95% of the aggregate principal amount of the Bonds;

(4) the Bonds shall mature not later than December 15, 2052; and

(5) the aggregate principal amount of the two series of Bonds shall not exceed $7,500,000, and the allocation of such maximum amount between the Series 2022A Senior Bonds and the Series 2022B Subordinate Bonds shall be as determined pursuant to the Delegated Authority.

Financing Documents: collectively, the Indentures, the Continuing Disclosure Agreement, the Letter of Representations and the Bond Purchase Agreement.

Letter of Representations: the letter of representations from the District to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

Limited Offering Memorandum: the final version of the Limited Offering Memorandum.

Preliminary Limited Offering Memorandum: the preliminary version of the Limited Offering Memorandum concerning the Bonds and the District.

Refunding Act means the "Public Securities Refunding Act," being Title 11, Article 56, C.R.S., as amended.

Section 2. Approvals, Authorizations, and Amendments. The Financing Documents are incorporated herein by reference and are hereby approved. All Authorized Officers are hereby authorized and directed to execute the Financing Documents and to affix the seal of the District thereto, and further to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to issue and secure the Bonds. Such documents are to be executed in substantially the form presented at this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Bond Resolution. Copies of all of the Financing Documents shall be delivered, filed, and recorded as provided therein.

Upon execution and delivery of the Financing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The proper officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the Bonds and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by an authorized officer of the District in connection with the issuance, sale, or delivery of the Bonds not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

Section 3. Authorization. In accordance with the Constitution of the State of Colorado; the Supplemental Act; Title 32, Article 1, Part 11, C.R.S.; the Election; and all other laws of the State of Colorado thereunto enabling, there shall be issued the Bonds for the purpose of: (i) paying and discharging the Refunded Obligations in whole or in part; (ii) funding a reserve fund for the Series 2022A Senior Bonds, and (iii) paying costs of issuance and other costs in connection with the Bonds. The Bonds shall constitute limited obligations of the District as provided in the Indentures. The District hereby elects to apply all of the provisions of the Supplemental Act to the Bonds.

Section 4. Bond Details; Delegated Authority. The Bonds shall be issued only as fully registered Bonds without coupons in Authorized Denominations. Unless the District shall otherwise direct, the Bonds shall be numbered separately from 1 upward, with the number of each Bond preceded by "R-". The Bonds shall be dated as of the date of issuance, and shall be payable at such time or times, shall be subject to redemption prior to maturity, and otherwise shall be as determined in the Indentures. Pursuant to §11-57-205, C.R.S., of the Supplemental Act the Board hereby delegates the Delegated Authority to an Authorized Officer and authorizes the signing of the Indentures and the Bond Purchase Agreement pursuant thereto.

Section 5. **Authorization for Separate Issuances.** It is the intent of the District that if practicable, both series of Bonds should be issued and closed on or about the same date; provided however, that nothing herein requires the same, and the authorization herein is intended to authorize the issuance of the Series 2022A Senior Bonds and the Series 2022B Subordinate Bonds independently of each other. Nothing herein is intended to impair, alter, or affect the District's and the Authorized Officers' ability to issue one series prior to the other, or to issue only one of the two series.

Section 6. **Authorization to Execute Documents.** The officers of the District are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Bond Resolution, including but not limited to the execution of (i) a direction to the Trustee to provide a conditional notice of redemption to the registered owners of any of the Refunded Obligations, and (ii) such certificates and affidavits as may be reasonably required by the Underwriter.

Section 7. **Permitted Amendments to Bond Resolution**. The District may amend this Bond Resolution in the same manner and subject to the same terms and conditions as apply to an amendment or supplement to the applicable Indenture.

Section 8. **Disposition and Investment of Proceeds; Tax Covenants**. The Bonds shall be issued and sold for the purposes aforesaid. Neither the Underwriter nor any subsequent Owners of the Bonds shall be responsible for the application or disposal by the District or any of its officers of the funds derived from the sale thereof.

All or any portion of the Bond proceeds may be temporarily invested or reinvested, pending such use, in securities or obligations which are both lawful investments and which are Permitted Investments (as defined in the Indenture). It is hereby covenanted and agreed by the District that it will not make, or permit to be made, any use of the original proceeds of the Bonds, or of any moneys treated as proceeds of the Bonds within the meaning of the Code and applicable regulations, rulings, and decisions, or take, permit to be taken, or fail to take any action, which would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code and applicable regulations, rulings, and decisions.

The District hereby designates the Bonds as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Code. The District covenants that the aggregate original issue amount of all tax-exempt obligations issued by the District, together with governmental entities which derive their issuing authority from the District or are subject to substantial control by the District, shall not be more than $10,000,000 during calendar year 2022. The District recognizes that such tax-exempt obligations include notes, leases, loans and warrants, as well as bonds. The District further recognizes that any bank, thrift institution, or other financial institution that owns the Bonds will rely on the District's designation of the Bonds as qualified tax-exempt obligations for the purpose of avoiding the loss of eighty percent (80%) of any otherwise available interest deduction attributable to such institution's tax-exempt holdings.

Section 9. **<u>Post-Issuance Tax Compliance Policy</u>**. The Board hereby approves its previously-adopted Post-Issuance Tax Compliance Policy, dated December 5, 2016.

Section 10. **<u>Appointment of District Representative</u>.** The President of the District is hereby appointed District Representative, as defined in the Indentures. A different District Representative may be appointed by resolution adopted by the Board and a certificate filed with the Trustee.

Section 11. **<u>Costs and Expenses</u>.** All costs and expenses incurred in connection with the issuance and payment of the Bonds shall be paid either from the proceeds of the Bonds or from legally available moneys of the District, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 12. **<u>Acceptance of Bond Purchase Agreement</u>.** The Board hereby reaffirms its determination to accept the Bond Purchase Agreement as submitted by the Underwriter, and to sell the Bonds to the Underwriter upon the terms, conditions, and provisions as set forth in the Bond Purchase Agreement. All Authorized Officers are hereby authorized to execute the Bond Purchase Agreement and to attest to such execution, all on behalf of the District.

Section 13. **<u>Limited Offering Memorandum</u>.** The draft of the Preliminary Limited Offering Memorandum is hereby authorized and approved in the form presented to the Board at this meeting. The Board hereby authorizes the finalization and posting of the Preliminary Limited Offering Memorandum, the use and distribution by the Underwriter of the Preliminary Limited Offering Memorandum in connection with the marketing of the Bonds, and the preparation and distribution of a final Limited Offering Memorandum in conjunction with an offer of the Bonds to investors. The final Limited Offering Memorandum shall contain such corrections and additional or updated information so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. All Authorized Officers are hereby authorized to execute copies of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum on behalf of the District.

Section 14. **<u>Ratification and Approval of Prior Actions</u>.** All actions heretofore taken by any Authorized Officer or the officers, agents, attorneys, or employees of the District, not inconsistent with the provisions of this Bond Resolution, relating to the authorization, sale, issuance, and delivery of the Bonds, are hereby ratified, approved, and confirmed.

Section 15. **<u>Bond Resolution Irrepealable</u>.** After any of the Bonds have been issued, this Bond Resolution shall constitute a contract between the Owners and the District, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged in accordance with the Indentures.

Section 16. **Repealer.** All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Bond Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 17. **Severability.** If any section, paragraph, clause, or provision of this Bond Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Bond Resolution, the intent being that the same are severable.

Section 18. **Effective Date.** This Bond Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this 4th day of April, 2022.

WATERFALL METROPOLITAN DISTRICT NO. 1
LARIMER COUNTY, COLORADO
SEAL

President or Vice President

ATTESTED:

Secretary or Assistant Secretary

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Section 18. Effective Date. This Bond Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this 4th day of April, 2022.

WATERFALL METROPOLITAN DISTRICT NO. 1
LARIMER COUNTY, COLORADO
SEAL

President or Vice President

ATTESTED:

Secretary or Assistant Secretary

Thereupon, Director Kirkbride moved the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director Loona, put to a vote, and carried on the following recorded vote:

Those voting AYE:

Kim Perry
Abby Kirkbride
Rishi Loona
Samantha Salazar

Those voting NAY:

NONE

Those absent: Timothy DePeder

Thereupon the President, as Chair of the meeting, declared the Bond Resolution duly adopted and the Secretary was directed to enter the foregoing proceedings and resolution upon the minutes of the Board.

Thereupon, after consideration of other business before the Board, the meeting was adjourned.

STATE OF COLORADO)
)
LARIMER COUNTY)
)
WATERFALL METROPOLITAN DISTRICT NO. 1)

The undersigned, as the Secretary or an Assistant Secretary of Waterfall Metropolitan District No. 1, hereby certifies that the foregoing pages constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of said District relating to the adoption of a resolution authorizing the issuance of its Senior General Obligation Limited Tax Refunding Bonds, Series 2022A, and its Subordinate General Obligation Limited Tax Refunding Bonds, Series 2022B, adopted at a special meeting of the Board held at the offices of the Community Development Group, 2500 Arapahoe Avenue, Suite 220, Boulder, Colorado 80302, and via Microsoft Teams meeting: Click here to join the meeting or by telephone at 720-721-3140 Meeting ID: 785 521 19#; on Monday, the 4th day of April, 2022, at the hour of 11:30 a.m., as recorded in the official record of proceedings of said District kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; that each director of the Board was informed of the date, time, place, and purpose of the special meeting; and that a notice of meeting was properly posted at least twenty-four hours prior to the meeting, in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the District, as of the 4th day of April, 2022.

Secretary or Assistant Secretary