

**MINUTES OF A SPECIAL COMBINED MEETING
OF THE BOARDS OF DIRECTORS OF THE
REUNION METROPOLITAN DISTRICT,
NORTH RANGE METROPOLITAN DISTRICT NO. 1, AND
NORTH RANGE METROPOLITAN DISTRICT NOS. 2 - 5
HELD ON MAY 25, 2016**

A special combined meeting of the Boards of Directors of the Reunion Metropolitan District, the North Range Metropolitan District No. 1, and North Range Metropolitan District Nos. 2-5 was held on Wednesday, May 25, 2016 at 6:30 PM at the Reunion Recreation Center, 17910 East Parkside Drive North, Commerce City, Colorado 80022. The meeting was open to the public.

The following Directors were in attendance:

Reunion Metropolitan District and North Range Metropolitan District Nos. 2-5

Martin Zemcik
Teresa G. Kershisnik
Jeffrey Kappes
Tim E. Roberts

Director Scott Custer was not in attendance and his absence was deemed excused

North Range Metropolitan District No. 1

Travis Book
Michael Scanlon
Martin Zemcik
Tim E. Roberts
Teresa G. Kershisnik

Also in attendance were the following:

Sam Sharp, D A Davidson & Co.
Ty Holman, Haynie & Co.
Kristen D. Bear, Esq., White Bear Ankele Tanaka & Waldron
Sarah Hunsche, CliftonLarsonAllen
Ginger Sickels, MSI
Raul Martinez, Reunion Metropolitan District
Melissa Murray, Reunion Metropolitan District
Liz Alexander, Development & Research Services
David and Lisa Hays, 9918 Salida Street
J. C. Woodson, 17063 East 104th Way
Sarah Butcher, 17923 East 104th Place
Dax Biederman, 10462 Ouray Street
Anthony Stellato, 16659 East 106th Place
Linda Manzitto, 10049 Southlawn Circle
Chuck Lewis, 17546 E. 107th Way
Brian Davidson, 10102 Southlawn Circle
Matt Bryant, 10002 Reunion Parkway
Chris Hull, 10103 Waco

NOTE: For the remainder of this document, Reunion Metropolitan District will be referred to as “RMD”, North Range Metropolitan District No. 1 will be referred to as “NRMD 1”, and North Range Metropolitan District Nos. 2 – 5 will be referred to as “NRMD 2-5”.

CALL TO ORDER The meeting was called to order at 6:35 PM by Director Zemcik on behalf of RMD and NRMD 2-5; and by Director Book on behalf of NRMD 1.

DECLARATION OF QUORUM & CONFLICTS OF INTEREST Ms. Alexander noted that a quorum was present for each District.

Attorney Bear noted that Disclosures were filed prior to the meeting. Ms. Alexander requested that members of the Boards disclose any potential conflicts of interest with regard to matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Boards’ members prior to this meeting, in accordance with statutes. No additional conflicts to those filed with the Secretary of State pursuant to statute were disclosed.

RESULTS OF MAY 3, 2016 ELECTION AND ELECTION OF OFFICERS NORTH RANGE METROPOLITAN DISTRICT NO. 1:

Michael Scanlon was elected to a two-year term, expiring in 2018. Teresa G. Kershisnik, Jeffrey Kappes, and Tim E. Roberts were each elected to four-year terms, expiring in 2020.

Upon motion duly made by Director Kappes, seconded by Director Book, and upon vote unanimously carried, the following slate of officers was approved:

- Travis Book, President
- Michael Scanlon, Vice President
- Teresa G. Kershisnik, Treasurer
- Jeffrey Kappes, Assistant Secretary
- Tim E. Roberts, Assistant Secretary

NORTH RANGE METROPOLITAN DISTRICT NOS. 2 - 5

Teresa G. Kershisnik, Scott Custer, and Tim E. Roberts were elected to the Boards of Directors of each District, with each elected to serve four-year terms, expiring in 2020.

Upon motion duly made by Director Zemcik, seconded by Director Roberts, and upon vote unanimously carried, the following slate of officers was approved for each District:

- Jeffrey Kappes – President
- Teresa G. Kershisnik – Vice President
- Scott Custer – Treasurer
- Martin Zemcik – Assistant Secretary
- Tim E. Roberts – Assistant Secretary

REUNION METROPOLITAN DISTRICT

Teresa G. Kershisnik, Scott Custer, and Tim E. Roberts were elected to the Board of Directors, with each elected to serve four-year terms, expiring in 2020.

Upon motion duly made by Director Kershisnik, seconded by Director Zemcik and upon vote unanimously carried, the following slate of officers was approved:

Jeffrey Kappes – President
Teresa G. Kershisnik – Vice President
Scott Custer – Treasurer
Martin Zemcik – Assistant Secretary
Tim E. Roberts – Assistant Secretary

All Oaths of Office were administered prior to the start of this meeting.

**APPROVAL OF
AGENDA AND
LOCATION OF
MEETING**

Upon a motion duly made by Director Kershisnik, seconded by Director Roberts, and following discussion, upon vote unanimously carried, the Boards for Reunion Metropolitan District and North Range Metropolitan District Nos. 2-5 approved the meeting location and approved the Agenda, as amended.

Upon a motion duly made by Director Kershisnik, seconded by Director Roberts, and following discussion, upon vote unanimously carried, the Board for North Range Metropolitan District No. 1 approved the meeting location and approved the Agenda, as amended.

**PUBLIC
COMMENT**

- Anthony Stellato noted that paint colors he submitted to the Architectural Review Committee (ARC) had been rejected and asked for reconsideration.
 - Director Kappes explained that Mr. Stellato could appeal the decision to the Tribunal and the Tribunal would make a recommendation to the Board after a Hearing with Mr. Stellato.
- A follow up discussion with several residents ensued regarding other paint colors that did not fit the general community color schemes.
 - Ms. Sickels explained that some had been painted without approval from the ARC, and some had been approved by the ARC, but looked very different from samples when applied. Each homeowner was being worked with on an individual basis. As a result of these incidents, the ARC has developed a Paint Color Book to use as a guideline when reviewing paint requests.
- Sarah Butcher proposed to start a “Free Library” and indicated she had done a Facebook poll with 60 “yes” responses and 1 “no” response. Ms. Butcher indicated that she would like to have two locations to place a container that would hold up to 100 books, and that she was willing to maintain the container. Ms. Butcher was asked to provide an estimate of cost and proposed locations.
- A resident asked about repair of alleys for homes in the Southlawn community.
 - The District responded that Shea Homes was responsible for the repairs and it was anticipated residents would be notified by mail as to a schedule.
- A resident asked if the District and/or Shea were working with Commerce City on economic development plans.
 - The District responded that they had not worked with the City on this type of development.

RECORD OF PROCEEDINGS

- A resident asked if the District had a plan to reduce property taxes.
 - The District responded that debt was being restructured and that the pace of development affected funding available to accelerate debt payments.
- A resident asked if an empty building that formerly housed an auto parts store was being considered by any new companies.
 - The District responded that the property is privately owned, and the District was unaware of any interest.
- Several residents contributed to a discussion regarding improvements to the south half of Southlawn. Most residents in attendance expressed their opposition to a dog park in that area. Residents were generally in favor of a public process to explore possibilities.
- A resident asked about who is responsible to paint black standpipes placed throughout the community.
 - The District responded that these are air vents for the water system and are the responsibility of South Adams County Water and Sewer District.
- A resident asked about use of the bathroom in Southlawn Park.
 - The District responded that the bathrooms are only open for use during events due to continued vandalism.

BOND AND DEBT MATTERS

Mr. Sharp presented a brief explanation of the current status of NRMD 1 refinancing process. Pricing is expected to occur on May 26, 2016 with a closing proposed for June 3, 2016. It was noted by Attorney Bear that the parameters resolution is in place.

CONSENT AGENDA

Upon a motion duly made by Director Kappes, seconded by Director Roberts on behalf of all Districts, and upon vote unanimously carried, the Boards approved the following Consent Agenda items:

1. Minutes of April 6, 2016 Special Combined Districts Board Meeting
2. Minutes of April 11, 2016 Special Combined Districts Board Meeting

FINANCIAL MATTERS

RMD CLAIMS

Ms. Hunsche presented the RMD Claims list for the period beginning February 3, 2016 through the current date. Upon motion duly made by Director Kershisnik, seconded by Director Kappes, and upon vote unanimously carried, the RMD Claims list was ratified.

FINANCIAL UPDATES

Ms. Hunsche provided a brief update on the financial status of each District. No action was taken with regard to this information.

2015 BUDGET AMENDMENT

A Public Hearing to Consider Amendment of the 2015 Budgets for RMD, NRMD 1 and NRMD 2 was opened at 8:27 PM. Ms. Alexander reported that the Public Hearings had

been advertised as required and no written comments had been received. No public comment from anyone present was made. The Public Hearings were closed at 8:28 PM.

After discussion, upon motion duly made by Director Roberts, seconded by Director Kershisnik on behalf of RMD, NRMD 1 and NRMD 2, and upon vote unanimously carried, the Budget Amendments were approved and the Resolutions to Amend the 2015 Budgets were adopted.

2015 AUDIT REPORTS

Mr. Holman presented 2015 draft Audits for RMD, NRMD 1, and NRMD 2.

After discussion, upon motion duly made by Director Kershisnik, seconded by Director Roberts, and upon vote unanimously carried, the NRMD 1 Draft 2015 Audit was approved, subject to the completion of the refinancing transaction and signature of a representation letter by an authorized board member.

After discussion, upon motion duly made by Director Kershisnik, seconded by Director Zemcik, and upon vote unanimously carried, the RMD and NRMD 2 Draft 2015 Audits were approved.

APPLICATIONS FOR EXEMPTION FROM AUDIT

Applications for Exemption from Audit for NRMD 3 – 5 were filed on March 31, 2016 in accordance with statute. After discussion, upon motion duly made by Director Roberts, seconded by Director Kappes, and upon vote unanimously carried, the Applications for Exemption were ratified.

STAFF REPORTS

COVENANT ENFORCEMENT & DELINQUENT ACCOUNTS:

Ms. Sickels presented the current covenant violation and enforcement action report. Due to the time of year, there are quite a few landscaping violations and requests for paint approvals have increased.

The status of delinquent accounts was discussed. Progress is being made in negotiating payment plans with many of the delinquent owners, as well as full payment received from others. Several of the severely delinquent accounts remain unpaid and are in the process of foreclosure actions.

A proposal was made that Director Kappes, as District President, be authorized to negotiate on behalf of the District in regard to payment plans or other property account settlement issues brought to Director Kappes by District Counsel. Director Kappes is to replace Director Zemcik in this capacity. Upon motion duly made by Director Roberts, seconded by Director Kershisnik, and upon vote unanimously carried, Director Kappes was so authorized.

PARKS/IRRIGATION:

The Boards briefly discussed the current condition of the parks and open space areas. Mr. Martinez explained that irrigation water usage would be tracked on a weekly basis this year, in addition to the regular monthly tracking.

Work has been approved to move forward with 2016 tree replacement, trail repairs in Reunion Park, mulch and shrubs on Unity Parkway, and 3 applications of top dressing on multi-purpose field #2. Warranty replacements on Landmark Drive have been completed.

RECREATION & FACILITIES:

Ms. Murray updated the Boards on activities and programs from the first of the year, and readiness of the swimming pool for the summer season.

Director Kershisnik asked Ms. Murray to research current revenue and expenditures of programs to make sure the programs are financially self-sufficient.

OTHER:

Ms. Alexander noted vandalism to the rock walls around the pavilion occurred in Southlawn Park. The Board asked staff to investigate if additional lighting could be installed to help deter the activity.

LEGAL MATTERS RESOLUTION CONCERNING THE IMPOSITION OF DISTRICT FEES

Attorney Bear presented a Resolution Concerning the Imposition of District Fees. After discussion, upon motion duly made by Director Kappes, seconded by Director Zemcik, and upon vote unanimously carried, the Resolution concerning the Imposition of District Fees was adopted.

EXECUTION OF DEED, LICENSE AND EASEMENT TO CITY OF COMMERCE CITY

Attorney Bear presented a Quit Claim Deed and a Utility Easement Agreement which have been prepared in contemplation of conveying a portion of property from RMD to the City of Commerce City as part of the Tower Road Widening Project. Upon motion duly made by Director Kershisnik, seconded by Director Roberts, and upon vote unanimously carried, Director Zemcik and Attorney Bear were authorized to complete the transaction as described.

CONVEYANCE OF PLATTED TRACTS FROM SHEA HOMES LIMITED PARTNERSHIP TO REUNION METROPOLITAN DISTRICT

Shea Homes Limited Partnership rescinded their request to convey certain platted tracts to RMD pending further research on improvements to be completed on said tracts.

ADJOURN TO EXECUTIVE SESSION PURSUANT TO § 24-6-402(4)(b)

The Board moved into Executive Session for the purpose of discussing collection matters with District Counsel. Upon close of the Executive Session, Director Kappes motioned to accept District Counsel's recommendation for settlement. The motion was seconded by Director Kershisnik, and upon vote, the motion was unanimously approved.

RECORD OF PROCEEDINGS

ADJOURNMENT

There being no further business to come before the Boards, upon motion duly made by Director Zemcik, seconded by Director Custer, on behalf of RMD and NRMD 2-5, and upon motion duly made by Director Book, seconded by Director Kershnik, and upon vote, unanimously carried, the Boards adjourned the meeting at 9:15 PM.

The foregoing record constitutes a true and correct copy of the Minutes of the above-referenced meeting.

Respectfully Submitted

/s/ Liz Alexander
Secretary for the Meeting