

RECORD OF PROCEEDINGS

**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
TUESDAY, FEBRUARY 9, 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 Friday, February 9, 2016 at 6:30 PM at the Reunion Recreation Center, 17910 E. Parkside Drive North, Commerce City, Colorado 80022. The meeting was open to the public.

In attendance were the following Directors:

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

Martin Zemcik
Teresa G. Kershnik
Scott Custer
Jeffrey Kappes
Tim E. Roberts

North Range Metropolitan District No. 1:

Travis Book
VACANT
Martin Zemcik
Teresa G. Kershnik
Tim E. Roberts

Also in attendance were the following:

Jason Carroll; CliftonLarsonAllen LLP
Kristin D. Bear, Esq.; White Bear Ankele Tanaka & Waldron P.C.
Trish Harris, Esq.; White Bear Ankele Tanaka & Waldron P.C.
Melissa Murray; Operations Manager
Raul Martinez; Parks/Irrigation Manager
Ginger Sickels; MSI, LLC
Liz Alexander; Development & Research Services, LLC
Charlie Lowit 17896 East 107th Avenue
Wes Matthews 10113 Uravan Street
Jason McEldowney 10127 Telluride

Call to Order

Director Zemcik called the Reunion Metropolitan District and North Range Metropolitan District Nos. 2-5 meetings to order at 6:43 PM. Director Book called the North Range Metropolitan District No. 1 meeting to order at 6:43 PM.

**Quorum and
Conflicts of Interest**

Ms. Alexander noted that a quorum was present for each District and 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. It was noted that all Directors' Disclosure Statements have been filed, and that no additional conflicts to those filed

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with the Secretary of State pursuant to statute were disclosed.

Approval of Agenda and Confirmation of Meeting Location

Upon a motion duly made by Director Zemcik, 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 Zemcik, seconded by Director Kershisnik, 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.

NOTE: for the remainder of this document, Reunion Metropolitan District shall be referenced as “RMD”, North Range Metropolitan District No. 1 shall be referenced as “NRMD1” and North Range Metropolitan District Nos. 2-5 shall be referenced as “NRMD2-5”.

Public Comment

Mr. McEldowney commented that snow removal after the most recent large snow storm did not remove snow down to concrete level, and that further removal of ice was needed at some locations. Mr. McEldowney requested that staff try to coordinate with Commerce City snow plows so that school bus stop areas weren't recovered with snow after already being shoveled.

Director Roberts recommended that staff purchase an attachable steel V-plow to clean trouble spots, as well as use sand in selected locations for traction.

Refinancing General Obligation Bonds

The NRMD1 Board discussed the Term Sheet provided from NBH Bank, N.A. and determined that further review was necessary. The NRMD1 Board requested that Mr. Sharpe from D. A. Davidson Companies provide the Board with additional information regarding the terms, which would then be discussed at a future meeting.

The combined Boards authorized Attorney Bear to continue to work with Kutak Rock on completing a draft of the proposed Mill Levy Equalization Agreement between RMD and NRMD 1-4.

The Board discussed the Moody's Investment Services Rating Application and Agreement, whereupon it was noted the approximately \$26,000 was at risk as all work must be done at the front end of the re-financing transaction. Upon a motion duly made by Director Kershisnik, seconded by Director Roberts, and upon vote unanimously carried, the Board for North Range Metropolitan District No. 1 approved the Rating Application and Agreement.

Consent Agenda

Upon a motion duly made by Director Zemcik, seconded by Director Kappes, and upon vote unanimously carried, the Boards approved the Consent Agenda items as follows:.

1. Minutes of the November 10, 2015 Combined Regular Board Meeting
2. Minutes of the December 17, 2015 Combined Special Board Meeting
3. Claims List
4. Reunion Homeowners Association Tribunal Recommendation
5. Resolution Designating the Districts' 24-Hour Posting Location
6. Ratification of Amended 2016 Annual Administrative Matters Resolutions

Financial Matters

Ms. Hunsche presented unaudited December 31, 2015 Financial Statements for RMD, NRMD1 and NRMD2.

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Following discussion, upon a motion duly made by Director Zemcik , seconded by Director Kappes, and upon vote unanimously carried, the RMD Board approved the December 31, 2015 Unaudited Financial Statements.

Following discussion, upon a motion duly made by Director Book, seconded by Director Roberts, and upon vote unanimously carried, the NRMD1 Board approved the December 31, 2015 Unaudited Financial Statements.

Following discussion, upon a motion duly made by Director Kappes , seconded by Director Zemcik, and upon vote unanimously carried, the NRMD2 Board approved the December 31, 2015 Unaudited Financial Statements.

Staff & Management Items

COVENANT ENFORCEMENT AND DELINQUENT ACCOUNTS:

Ms. Sickels reported on covenant violation updates and noted that “holiday light” letters are being sent out. One house color is still in violation but the owners have submitted a request to repaint. The proposed pre-approved paint colors are in review and expected to be available by May 2016.

Ms. Sickels and Attorney Bear reviewed the status of delinquent accounts with the Board. The Board discussed the District’s policy of not accepting payment on a delinquent account if the property is not in compliance with covenants. The Board specified that an owner should not be prevented from making payments on a delinquent account if alternative methods of insuring compliance could be made, e.g. during winter months when landscaping replacements cannot be made, a “deposit for cure” could be taken.

The Board considered approval of several Resolutions related to policies, procedures, delinquent fees and charges, rules, regulations, improvement guidelines, and site restrictions. It was determined that additional revision was needed before the Board would consider approval for 3 out of 4 of these items. The Resolution Establishing Guidelines for the Processing and Collection Delinquent Fees and Charges was discussed and upon motion duly made by Director Kappes, seconded by Director Custer, and upon vote unanimously carried, the Board approved this Resolution.

PARKS/IRRIGATION:

Mr. Martinez reported on winter activities, which included a winter watering program for the new trees. The Board reviewed staff recommendations for Capital Improvement Projects for 2016. Director Kershisnik indicated that a recommended annual projects list had been developed two to three years previously, and that proposed projects for 2016 should be measured against that report. Director Kappes indicated that equitable application of funds and enhancements should be a “best practices” goal. The Board requested further discussion at a future meeting regarding proposed improvements to Unity Parkway and adjacent to 104th Avenue.

Staff was directed to obtain a proposal from Tree Analysis Services to evaluate current condition of trees based on recommendations from this company two years previously.

RECREATION FACILITIES:

Ms. Murray provided a recap of 2015 events and improvements and the schedule of events for 2016. Ms. Murray specifically requested approval from the Board to continue to hold the adult-only Beer Tasting event as it was popular and well-attended. The Board approved the request and indicated that attendees should be charged a nominal fee to attend.

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Ms. Murray requested clarification on a policy allowing use of the Recreation Center by a special interest group when the Recreation Center is closed, as a church had requested use for worship services on Easter. The Board upheld the policy that special interest groups would not be permitted to use the facility on days when the facility is closed even if the group is willing to pay for staff overtime or other needs.

OTHER:

Ms. Alexander reviewed with the Board the current status of ongoing underdrain concerns and work needed in drainage channels adjacent to new filings.

Legal Matters

The Board moved into Executive Session pursuant to 24-6-402(4)(b), C.R.S. at 10:06 pm and closed the Executive Session at 10:26 p.m.

With regard to the property located at 10548 Ouray Street, upon a motion duly made by Director Zemcik, seconded by Director Kershisnik, and upon vote, unanimously carried, the Board authorized Attorney Bear to accept a deposit for cure in the amount of \$500, and further authorized Attorney Bear to negotiate a settlement offer in accordance with previously established policies.

Upon a motion duly made by Director Zemcik, seconded by Director Roberts, and upon vote, unanimously carried, the RMD Board ratified the Conflict of Interest statement from White Bear Ankele Tanaka & Waldron related to the proposed Mill Levy Equalization Agreement.

Upon a motion duly made by Director Book, seconded by Director Kershisnik, and upon vote, unanimously carried, the NRMD1 Board ratified the Conflict of Interest statement from White Bear Ankele Tanaka & Waldron related to the proposed Mill Levy Equalization Agreement.

Upon a motion duly made by Director Kappes, seconded by Director Kershisnik, and upon vote, unanimously carried, the NRMD2-4 Boards ratified the Conflict of Interest statement from White Bear Ankele Tanaka & Waldron related to the proposed Mill Levy Equalization Agreement.

As White Bear Ankele Tanaka & Waldron intends to represent RMD in the matter of the proposed Mill Levy Equalization Agreement, Attorney Bear recommended that NRMD 1-4 engage independent legal counsel for the purpose of reviewing the proposed Mill Levy Equalization Agreement. The Board requested that Attorney Bear recommend such counsel and obtain a limited scope engagement letter for review and execution by the Board.

The Board discussed the offer from Commerce City to purchase property to be used as additional right-of-way in the Tower Road Widening Project. Upon a motion duly made by Director Zemcik, seconded by Director Kershisnik, and upon vote, unanimously carried, Director Zemcik was authorized to complete the transaction with Commerce City.

The Board reviewed conveyance of a Landscape Easement from Shea Homes Limited Partnership to RMD and upon a motion duly made by Director Zemcik, seconded by Director Kershisnik, and upon vote, unanimously carried, the conveyance of the Landscape Easement was ratified.

The Boards briefly discussed the May 3, 2016 Election process and the due date of February 26, 2016 to submit Self-Nomination Forms.

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Other

The Board reviewed plans and financial information related to construction of improvements for Reunion Phase 3D, which include the completion of Walden Street and Reunion Parkway to the future intersection with High Plains Parkway. The Board requested further information and requested that this item be brought forward at a future meeting. The Board authorized Attorney Bear to review and amend the Infrastructure Acquisition and Reimbursement Agreement as needed to present at a future meeting with the request for authorization to complete infrastructure improvements.

Adjournment

It was noted that the next regularly scheduled Board meeting for all of the Districts is scheduled for May 3, 2016.

There being no further business to come before the Boards, upon a motion duly made by Director Zemcik, seconded by Director Custer, on behalf of RMD and NRMD2-5, and upon a motion duly made by Director Book, seconded by Director Kershisnik, and upon vote, unanimously carried, the Boards adjourned the meetings at 10:45 PM.

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

Respectfully submitted,

/s/ Elizabeth Alexander
Secretary for the Meeting