

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
NORTH RANGE METROPOLITAN DISTRICT NO. 1
HELD
JUNE 22, 2017**

A special meeting of the Board of Directors of the North Range Metropolitan District No. 1 was held Thursday, June 22, 2017, at 2:00 p.m., at the Reunion Recreation Center, 17910 E. Parkside Drive North, Commerce City, Colorado 80022. The meeting was open to the public.

In attendance were Directors:

Travis Book
Michael Scanlon
Teresa Kershisnik
Jeff Kappes
Tim Roberts

Also in attendance were:

Matt Urkoski and Sarah Hunsche; CliftonLarsonAllen LLP
Kristen Bear; Esq., White, Bear and Ankele P.C.
KC Vieo and Paul Wisor; Kline Alvarado Vieo, P.C.
Brooke Hutchins; D.A. Davidson

Call to Order

Director Book called the meeting to order at 2:39 p.m.

Declaration of
Quorum

A quorum was confirmed.

Disclosures and
Potential Conflicts
of Interest

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Ms. Bear noted that all Directors' Disclosure Statements have been filed. The Board noted that there are no additional conflicts to those filed with the Secretary of State pursuant to statute.

Approve Agenda
And Location of
Meeting

Upon a motion duly made by Director Roberts, seconded by Director Kershisnik, and upon vote unanimously carried, the Board approved the meeting location and approved the agenda as presented.

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Public Comments There were no public comments.

Consent Agenda Upon a motion duly made by Director Roberts, seconded by Director Kershisnik, and upon vote unanimously carried, the Board approved the Consent Agenda as presented.

A. Review and Approve Minutes of the May 2, 2017 Regular Meeting

Legal Matters Director Book inquired about the potential impact of North Range Metropolitan District No. 5's exclusion from the revised and proposed agreements. Director Scanlon noted discomfort with the complexities of the transactions at hand. Director Scanlon noted specific concerns with the messaging surrounding Shea's write-down of approximately \$10,000,000 in debt. Ms. Bear clarified that the obligations of the North Range Metropolitan District Nos. 1 – 5 remain unchanged by the transactions and agreements under consideration. Director Kershisnik described Shea's interest in the matter, noting that Shea desires to have a multi-year fiscal obligation rather than the current annual contracts for reimbursement currently in place and in return has agreed to write off certain reimbursement amounts in place. Director Book summarized the situation as essentially "changing instruments" with regard to how Shea gets paid, and that the revision and new agreement creates a more financially predictable situation for North Range Metropolitan District No. 1.

A. Consider and make a final determination to issue general obligation debt and to enter into a multi-fiscal year obligation (for which no additional voter approval is needed) in the form of a First Amendment to Mill Levy Equalization and Pledge Agreement between and among Reunion Metropolitan District and North Range Metropolitan District Nos. 1-4 for a pledge of mill revenues of the District and North Range Metropolitan District Nos. 2-4 in an amount not to exceed \$280,000,000, in connection with the issuance of the Reunion Metropolitan District Revenue Bonds, Series 2017, in a principal amount of up to \$21,600,000

Ms. Bear reviewed this with the Board. After review and discussion, upon a motion duly made by Director Book, seconded by Director Roberts, and upon vote unanimously carried, the Board approved final determination to issue general obligation debt and to enter into a multi-fiscal year obligation (for which no additional voter approval is needed) in the form of a First Amendment to Mill Levy Equalization and Pledge Agreement between and among Reunion Metropolitan District and North Range Metropolitan District Nos. 1-4 for a pledge of mill revenues of the District and North Range Metropolitan District Nos. 2-4 in an amount not to exceed \$280,000,000, in connection with the issuance of the Reunion Metropolitan District Revenue Bonds, Series 2017, in a principal amount of up to \$21,600,000.

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- B. Consider Approval of Termination and Waiver of all Operational Finding Agreements by and among Shea Homes Limited Partnership, Reunion Metropolitan District, and North Range Metropolitan District No. 1, and Amount Recognized Under the Same

Ms. Bear reviewed the Agreement with the Board. After review and discussion, upon a motion duly made by Director Scanlon, seconded by Director Book, and upon vote unanimously carried, the Board approved the Termination and Waiver of all Operational Finding Agreements by and among Shea Homes Limited Partnership, Reunion Metropolitan District, and North Range Metropolitan District No. 1, and Amount Recognized Under the Same.

Financial
Items

- A. Consider Acceptance of 2016 Audit

Ms. Hunsche reviewed the 2016 Audit, noting that the version presented incorporated previous comments provided and that the report is ready for acceptance.

After discussion, upon a motion duly made by Director Scanlon, seconded by Director Kershisnik, and upon vote unanimously carried, the Board accepted the 2016 Audit and directed staff to file with the State by July 31, 2017.

Other
Business

There was no other business to discuss.

Next Meeting
August 1, 2017

The Board confirmed the next meeting on August 1, 2017.

Adjournment

There being no further business to come before the Board, upon a motion duly made by Director Scanlon, seconded by Director Kershisnik, and upon vote unanimously carried, the Board adjourned the meeting at 2:56 p.m.

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

Respectfully submitted,



Secretary for the Meeting