

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
REUNION METROPOLITAN DISTRICT (THE "DISTRICT")
REUNION METROPOLITAN DISTRICT WATER ACTIVITY
ENTERPRISE
HELD
JUNE 10, 2021

A special meeting of the Board of Directors of the Reunion Metropolitan District and Reunion Metropolitan District Water Activity Enterprise (referred to hereafter as the "Board") was convened on June 10, 2021 at 5:00 p.m. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board meeting was held via Microsoft Teams. The meeting was open to the public. Director Leid, Director Rau and Ms. Jones were physically present at the Reunion Recreation Center.

ATTENDANCE

Directors In Attendance Were:

Kelly Leid, President
Brett Price, Vice-President
Bruce Rau, Treasurer
Teresa Kershnik, Asst. Secretary

The absence of Director Roberts was excused.

Also, In Attendance Were:

Kristen Bear, Esq.; White Bear Ankele Tanaka & Waldron
Anna Jones, Rebecca Gianarkis and Shelby Clymer; CliftonLarsonAllen LLP ("CLA")
Michael Sullivan; Piper Sandler
Charlie Leder, Esq.; Spencer Fane LLP
Aaron Wade, Esq.; Gillmore & Bell. P.C.
Stephanie Chichester and Nick Taylor; North Slope Capital Advisors
Jim Hayes and Brandon Wyszynski; Oakwood Homes Co.

ADMINISTRATIVE MATTERS

Call to order and approval of agenda: Director Leid called the meeting to order at 5:06. Upon a motion duly made by Director Rau, seconded by Director Price and, upon vote, unanimously carried, the Board approved the agenda as presented.

Disclosures of potential conflicts of interest: The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this

RECORD OF PROCEEDINGS

meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted by Attorney Bear that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, and no additional conflicts were disclosed at the meeting

Quorum/Confirmation of Meeting Location/Posting of Notice: A quorum was confirmed. The absence of Director Roberts was excused.

Due to concerns regarding the spread of COVID-19 and the benefit to the control of the spread of the virus by limiting in-person contact, this meeting was conducted via Microsoft Teams and encouraged public participation via Microsoft Teams. The Board further noted that notice providing the time, date and video link information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed by taxpaying electors within the District's boundaries.

Public Comment: None.

BOND MATTERS

Call to order of the meeting of the Reunion Metropolitan District, acting by and through its Reunion Metropolitan District Water Activity Enterprise: Director Leid called the meeting to order at 5:09 p.m.

Approval of Bond-Related Documents and Agreements:

Ms. Bear introduced the purpose of the meeting and provided background. She noted that the District Water Activity Enterprise exists as a separate entity under the Reunion Metropolitan District. The Enterprise Board is the same as the Reunion Metropolitan District. She indicated all financial and accounting matters will be kept separate. Revenues will be derived from Equivalent Residential Unit (ERU) fees which will be pledged toward bond repayment. She also indicated that no mill levies or general fund revenue will be pledged to the bond repayment. Ms. Bear also stated that no risk or exposure to the residents of the Reunion Metropolitan District exists with this bond transaction.

Mike Sullivan and Nick Taylor provided additional information, noting that issuing 2021A bonds will provide ERU fee revenue for repayment through 2044 in the amount of \$43.3 million. Three-hundred ERUs are necessary to fulfill the annual debt repayment, with 600 to 700 projected to be sold annually. The 2021B bonds will be issued only once the 2021 A bonds are repaid.

Mr. Wade provided further background of the bond repayment. He indicated the pay-off date is anticipated to occur much earlier than the payoff date of 2044. Mr. Wade also described the debt service and related administrative fee payment procedures.

RECORD OF PROCEEDINGS

Consent and Agreement Regarding Reunion ERUs among Clayton Properties Group II, Inc., DIBC Buffalo Hills Ranch, LLC, FFP-DIA, LLC, DIBC 96th and Potomac, LLC, Shea Homes Limited Partnership, and Reunion Metropolitan District, acting by and through its Reunion Metropolitan District Water Activity Enterprise: Mr. Wade reviewed the Consent and Agreement regarding the ERUs with the Board. Following discussion, upon a motion duly made by Director Rau, seconded by Director Leid and, upon vote, unanimously carried, the Board approved the Consent and Agreement Regarding Reunion ERUs among Clayton Properties Group II, Inc., DIBC Buffalo Hills Ranch, LLC, FFP-DIA, LLC, DIBC 96th and Potomac, LLC, Shea Homes Limited Partnership, and Reunion Metropolitan District, acting by and through its Reunion Metropolitan District Water Activity Enterprise.

ERU Purchase Agreement between Clayton Properties Group II, Inc. and Reunion Metropolitan District, acting by and through its Reunion Metropolitan District Water Activity Enterprise: Mr. Wade reviewed the Purchase Agreement terms with the Board. Following discussion, upon a motion duly made by Director Rau, seconded by Director Leid and, upon vote, unanimously carried, the Board approved the ERU Purchase Agreement between Clayton Properties Group II, Inc. and Reunion Metropolitan District, acting by and through its Reunion Metropolitan District Water Activity Enterprise.

Declaration of ERU Covenants and Restrictions: Mr. Wade reviewed the Covenants and Restrictions with the Board. He indicated the covenant runs with the land and future owners will purchase ERUs from the Water Activity Enterprise. He indicated the terms apply to current property owners within the defined water service area. Following discussion, upon a motion duly made by Director Rau, seconded by Director Leid and, upon vote, unanimously carried, the Board approved the Declaration of ERU Covenants and Restrictions.

Memorandum of Understanding amount Clayton Properties Group II, Inc., Reunion Metropolitan District, acting by and through its Reunion Metropolitan District Water Activity Enterprise, and South Adams County Water and Sanitation District: Mr. Wade reviewed the Memorandum of Understanding between Clayton Properties Group II, Reunion Metropolitan District, acting by and through it Water Activity Enterprise, and the South Adams County Water and Sanitation District with the Board. Following discussion, upon a motion duly made by Director Rau, seconded by Director Leid and, upon vote, unanimously carried, the Board approved the Memorandum of Understanding amount Clayton Properties Group II, Inc., Reunion Metropolitan District, acting by and

RECORD OF PROCEEDINGS

through its Reunion Metropolitan District Water Activity Enterprise, and South Adams County Water and Sanitation District.

Resolution Concerning the Imposition of ERU Water Credit Fees Mr. Wade reviewed the Resolution Concerning the Imposition of ERU Water Credit Fees with the Board. Following discussion, upon a motion duly made by Director Rau, seconded by Director Leid and, upon vote, unanimously carried, the Board approved the Resolution Concerning the Imposition of ERU Water Credit Fees.

ERU Water Credit Fee Transfer Procedures, dated as of June 10, 2021: Ms. Bear reviewed the transfer procedure and associated record keeping. Following discussion, upon a motion duly made by Director Rau, seconded by Director Leid and, upon vote, unanimously carried, the Board approved the ERU Water Credit Fee Transfer Procedures, dated as of June 10, 2021.

Resolution authorizing the issuance of Special Revenue Bonds, Series 2021A (the “Senior Bonds”) and Subordinate Special Revenue Bonds, Series 2021B (the “Subordinate Bonds”) and, together with the Senior Bonds, the “Bonds”), in the combined aggregate principal amount of \$56,000,000, which amount is subject to increase or decrease as determined by the Board, for the purposes of funding the acquisition of certain ERU water rights credits; and approving, ratifying and confirming the execution of certain other documents; making determinations and findings as to other matters related to such financing transaction; authorizing incidental action; and repealing prior inconsistent actions: Mr. Wade reviewed the bond resolution approving the parameters of the bonds. Final terms will be determined at closing, as well as pledging of revenues and other related matters. Ms. Bear indicated there may be some non-material changes to the documents. She also requested that all members be authorized to sign the documents so as to allow a smooth closing schedule. Following discussion, upon a motion duly made by Director Rau, seconded by Director Leid and, upon vote, unanimously carried, the Board approved the resolution authorizing the issuance of Special Revenue Bonds, Series 2021A (the “Senior Bonds”) and Subordinate Special Revenue Bonds, Series 2021B (the “Subordinate Bonds”) and, together with the Senior Bonds, the “Bonds”), in the combined aggregate principal amount of \$56,000,000, which amount is subject to increase or decrease as determined by the Board, for the purposes of funding the acquisition of certain ERU water rights credits; and approving, ratifying and confirming the execution of certain other documents; making determinations and findings as to other matters related to such financing transaction; authorizing incidental action; and repealing prior inconsistent actions.

Funding and Reimbursement Agreement (Irrigation ERUs) between Clayton Properties Group II, Inc. and Reunion Metropolitan District: Ms. Bear reviewed the Funding and Reimbursement Agreement with the Board.

RECORD OF PROCEEDINGS

Following discussion, upon a motion duly made by Director Leid, seconded by Director Rau and, upon vote, unanimously carried, the Board approved the Funding and Reimbursement Agreement (Irrigation ERUs) between Clayton Properties Group II, Inc. and Reunion Metropolitan District.

Funding and Reimbursement Agreement (Costs of Issuance) between Clayton Properties Group II, Inc. and Reunion Metropolitan District: Ms. Bear reviewed the Funding and Reimbursement Agreement with the Board. Following discussion, upon a motion duly made by Director Leid, seconded by Director Kershisnik and, upon vote, unanimously carried, the Board approved the Funding and Reimbursement Agreement (Costs of Issuance) between Clayton Properties Group II, Inc. and Reunion Metropolitan District.

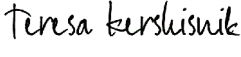
OTHER BUSINESS

Mr. Sullivan addressed the closing process, which is anticipated to be June 30th. Ms. Bear indicated documents would be prepared for signature on June 24th.

ADJOURNMENT

Upon a motion duly made by Director Rau, seconded by Director Price and, upon vote, unanimously carried, the Board continued the meeting to June 29, 2021 at 7:30 a.m. via Microsoft Teams.

Respectfully submitted,

DocuSigned by:

B. 1E26899D1599464... _____
Secretary for the Meeting

Certificate Of Completion

| | |
|---|----------------------------|
| Envelope Id: 73E44FC9759F423CBA5C3268B75EF249 | Status: Completed |
| Subject: Please DocuSign: 2.A.2. Minutes 06-10-21 (RMD) FINAL.pdf | |
| Client Name: Reunion MD | |
| Client Number: 011-042159-OS01-2021 | |
| Source Envelope: | |
| Document Pages: 5 | Signatures: 1 |
| Certificate Pages: 4 | Initials: 0 |
| AutoNav: Enabled | Envelope Originator: |
| Enveloped Stamping: Enabled | Kathy Suazo |
| Time Zone: (UTC-06:00) Central Time (US & Canada) | 220 South 6th Street |
| | Suite 300 |
| | Minneapolis, MN 55402 |
| | Kathy.Suazo@claconnect.com |
| | IP Address: 67.137.57.251 |

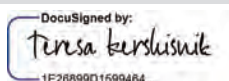
Record Tracking

| | | |
|---------------------|----------------------------|--------------------|
| Status: Original | Holder: Kathy Suazo | Location: DocuSign |
| 8/9/2021 5:04:38 PM | Kathy.Suazo@claconnect.com | |

Signer Events

Teresa Kershnik
 terri.kershnik@sheahomes.com
 Security Level: Email, Account Authentication (None)

Signature



Signature Adoption: Pre-selected Style
 Using IP Address: 208.46.68.122

Timestamp

Sent: 8/9/2021 5:05:52 PM
 Viewed: 8/9/2021 5:33:11 PM
 Signed: 8/9/2021 5:33:17 PM

Electronic Record and Signature Disclosure:
 Accepted: 8/9/2021 5:33:11 PM
 ID: 03ab4fae-8674-4c20-bf6b-3d91810290e2

| In Person Signer Events | Signature | Timestamp |
|-------------------------|-----------|-----------|
|-------------------------|-----------|-----------|

| Editor Delivery Events | Status | Timestamp |
|------------------------|--------|-----------|
|------------------------|--------|-----------|

| Agent Delivery Events | Status | Timestamp |
|-----------------------|--------|-----------|
|-----------------------|--------|-----------|

| Intermediary Delivery Events | Status | Timestamp |
|------------------------------|--------|-----------|
|------------------------------|--------|-----------|

| Certified Delivery Events | Status | Timestamp |
|---------------------------|--------|-----------|
|---------------------------|--------|-----------|

| Carbon Copy Events | Status | Timestamp |
|--------------------|--------|-----------|
|--------------------|--------|-----------|

| Witness Events | Signature | Timestamp |
|----------------|-----------|-----------|
|----------------|-----------|-----------|

| Notary Events | Signature | Timestamp |
|---------------|-----------|-----------|
|---------------|-----------|-----------|

| Envelope Summary Events | Status | Timestamps |
|-------------------------|--------|------------|
|-------------------------|--------|------------|

| | | |
|---------------------|------------------|---------------------|
| Envelope Sent | Hashed/Encrypted | 8/9/2021 5:05:52 PM |
| Certified Delivered | Security Checked | 8/9/2021 5:33:11 PM |
| Signing Complete | Security Checked | 8/9/2021 5:33:17 PM |
| Completed | Security Checked | 8/9/2021 5:33:17 PM |

| Payment Events | Status | Timestamps |
|----------------|--------|------------|
|----------------|--------|------------|

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CliftonLarsonAllen LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: BusinessTechnology@CLAconnect.com

To advise CliftonLarsonAllen LLP of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at BusinessTechnology@CLAconnect.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from CliftonLarsonAllen LLP

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with CliftonLarsonAllen LLP

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.