

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF

ST. VRAIN LAKES METROPOLITAN DISTRICT NO. 1
ST. VRAIN LAKES METROPOLITAN DISTRICT NO. 2
ST. VRAIN LAKES METROPOLITAN DISTRICT NO. 3
ST. VRAIN LAKES METROPOLITAN DISTRICT NO. 4

HELD
November 14, 2017

The Combined Special Meeting of the Boards of Directors (collectively, "Board") of St. Vrain Lakes Metropolitan District No. 1, St. Vrain Lakes Metropolitan District No. 2, St. Vrain Lakes Metropolitan District No. 3, and St. Vrain Lakes Metropolitan District No. 4 (collectively, "Districts") was held at the High Plains Library District – Carbon Valley Regional Library, 7 Park Avenue, Firestone, Colorado at 3:00 p.m. on Tuesday, November 14, 2017. Notice of the Combined Meeting was duly posted.

ATTENDANCE

Directors in Attendance:

Marc Savela, President (Nos. 1-4)
Ashley Tarufelli, Secretary/Treasurer (via Telephone) (Nos. 1-4)
Shannon Robbins, Director (No. 1)
David Carro, Director (No. 1)

Directors Absent but Excused:

Neil Simpson, Assistant Secretary (Nos. 1-4)

Also in Attendance:

Stan Myers, Brian Doble, Jason Woolard, Chelsey Green; Pinnacle Consulting Group, Inc.
Kristen Bear, Esq.; White Bear Ankele Tanaka & Waldron, P.C.
Kimberly Johanns, CPA; Simmons & Wheeler, P.C.
Laci Knowles; Underwriter, D.A. Davidson & Co. (via teleconference)
Kim C. Reed, Esq.; Bond Attorney, Kutak Rock, L.L.P. (via teleconference)
Wes Lavanchy; Brookfield Residential (Colorado), L.L.C.

CALL TO ORDER

The Combined Special Meeting of the Boards of Directors of St. Vrain Lakes Metropolitan Districts Nos. 1, 2, 3, and 4 was called to order at 3:00 p.m. by Chairman Savela, noting that a quorum was present for each of the Boards. Each of the Directors confirmed their qualifications to serve on the Boards. Chairman Savela also confirmed that prior to the meeting each of the Directors had been notified of the meeting.

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COMBINED
MEETINGS

The Boards of Directors of the Districts determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts at such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be action of all of the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

CONFLICTS OF
INTEREST
DISCLOSURE

Ms. Bear noted that notices of potential conflicts of interest for all Board Members were filed with the Colorado Secretary of State's Office, disclosing that potential conflicts of interest may exist, as all Board Members are employees of Brookfield Residential, which is associated with the primary landowner and developer of land within the Districts. Ms. Bear advised the Board that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Board reviewed the agenda for the meeting, following which each Board Member present confirmed the contents of the written disclosures previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the Directors present was necessary to obtain a quorum or otherwise enable the Board to act.

PUBLIC
COMMENT

There were no members of the public present.

CONSENT
AGENDA

The Board reviewed the following items on the consent agenda:

- A. Approval of agenda, as amended
- B. Approval of September 11, 2017 meeting minutes; ratify actions taken at the September 11, 2017 meeting
- C. Ratification and approval of payables.
- D. Approval of Audit Engagement Letter with Barnes Griggs & Associates, PC.

Following brief discussion and review of the remaining consent agenda items, upon motion duly made by Director Tarufelli, seconded by Director Robbins and, upon unanimous vote, it was

RESOLVED to approve the items on the consent agenda, including the minutes as presented.

2017 AMENDED
BUDGET
HEARING

Director Savela opened the 2017 amended Budget hearing for St. Vrain Lakes Metropolitan Districts Nos. 1-4. Mr. Myers reported that notice of the budget hearings had been published on November 7, 2017 in accordance with state budget law.

Ms. Johanns reviewed the proposed amended budgets and answered questions. The 2017 budget is to be amended as follows:

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District No. 1:

Capital Fund Expenditures: \$37,556,197

District No. 2:

Capital Fund Expenditures: \$36,778,000

District No. 3:

Debt Service Fund Expenditures: \$794,003

There being no public input, the public portion of the budget hearing was closed. After further review and discussion, and upon motion duly made by Director Savela, seconded by Director Tarufelli, and upon vote, unanimously carried, it was

RESOLVED to approve the Resolutions to Adopt the Amended 2017 Capital Fund budget for St. Vrain Lakes Metropolitan Districts Nos. 1-2, Resolution to Adopt the Amended 2017 Debt Service Fund budget for St. Vrain Lakes Metropolitan District No. 3, and appropriate budgeted funds.

2018 PROPOSED
BUDGET
HEARING

Director Savela opened the 2018 Budget Hearing for St. Vrain Lakes Metropolitan Districts Nos. 1-4. Mr. Myers reported that notice of the budget hearings had been published on November 7, 2017 in accordance with state budget law. Ms. Johanns reviewed the budgets in detail, and answered questions pertaining to the mill levy and estimated revenues and expenditures. The budgets by District and fund expenditures are as follows.

District No. 1, Service District:

Mill levy is 66.861 mills.

General Fund Expenditures: \$645,281

Debt Service Fund Expenditures: \$10,661,325

Capital Fund Expenditures: \$0

District No. 2

Mill levy is 71.861 mills.

General Fund Expenditures: \$51,599

Debt Service Fund Expenditures: \$1,775,841

Capital Fund Expenditures: \$0

District No. 3,

Mill levy is 71.861 mills.

General Fund Expenditures: \$124,521

Debt Service Fund Expenditures: \$416,710

Capital Fund Expenditures: \$0

District No. 4,

Mill levy is 71.861 mills.

General Fund Expenditures: \$84,402

Debt Service Fund Expenditures: \$282,186

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Capital Fund Expenditures: \$0

There being no public input, the public hearing portion of the budget hearings was closed. Upon motion duly made by Director Savela, seconded by Director Tarufelli, and upon vote, it was unanimously

RESOLVED to approve the Resolutions to Adopt the 2018 budgets for St. Vrain Lakes Metropolitan Districts Nos. 1-4, set the mill levies, appropriate budgeted funds upon final certification of value being received by the County of Larimer on or before December 10, 2017 and approve all other documents related to the 2018 budgets. The District Manager is authorized to make minor modifications that may be necessary following receipt of final assessed values.

2016 AUDITS

Ms. Johans presented to the Board for ratification the 2016 Audit for District No.1. After discussion and a motion duly made by Director Tarufelli, and seconded by Director Selva, it was unanimously

RESOLVED to ratify the 2016 Audit for District No. 1.

Ms. Johans presented to the Board for ratification of the 2016 Audit Exemptions for District Nos. 2-4. After discussion and a motion duly made by Director Tarufelli, and seconded by Director Selva, it was unanimously

RESOLVED to ratify the 2016 Audit Exemptions for District Nos. 2-4.

LEGAL MATTERS

Ms. Reed joined the meeting by phone at this time.

Consider Adoption of Resolution Authorizing the Issuance of the District's Series 2017A and Series 2017B Bonds: Ms. Reed reviewed the Resolutions and answered questions from the Board. Ms. Knowles reviewed the recommended Series 2017A and 2017B Bonds resolution parameters with the Board. Following review and discussion and upon motion duly made by Director Tarufelli, seconded by Director Savela, and upon vote, unanimously carried, it was

RESOLVED to approve the Resolutions Authorizing the Issuance of the District's (i) Limited Tax Convertible to Unlimited Tax) General Obligation Bonds, Series 2017A, in an approximate principal amount of 35,000,000 at the maximum interest rate of 18%, as stated in the 2017 TABOR election question, (ii) Subordinate Limited Tax General Obligation Bonds, Series 2017B, in an approximate principal amount of \$4,500,000 at the maximum interest rate of 18%, as stated in the 2017 TABOR election question, approving and authorizing the execution of all documents related to the Series 2017A and Series 2017B Bonds, and appoint Marc Savela and/or Ashley Tarufelli as the Boards delegate.

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Consider Adoption of Resolution Authorizing the Issuance of the District's Series 2017C Bonds: Ms. Reed reviewed the Resolution Authorizing the Issuance of the District's Junior Lien Limited Tax General Obligation Bonds, Series 2017C and answered questions. Ms. Knowles reviewed the recommended Series 2017C resolution parameters with the Board and answered questions. Following review and discussion and upon motion duly made by Director Taruffelli, seconded by Director Savela, and upon vote, unanimously carried, it was

RESOLVED to approve the Resolution Authorizing the Issuance of the District's Junior Lien Limited Tax General Obligation Bonds, Series 2017C, in an approximate principal amount of \$4,500,000 at the maximum interest rate of 18%, as stated in the 2017 TABOR election question, approving and authorizing the execution of all documents related to the Series 2017C Bonds, and appoint Marc Savela and/or Ashley Taruffelli as the Boards delegate.

Consider Approval of External Financial Advisory Engagement Letter with North Slope for District No. 2: Ms. Bear presented an Engagement Letter with North Slope for external financial advisory services. Following discussion and upon motion duly made by Director Taruffelli, seconded by Director Savela, it was unanimously

RESOLVED to approve the Engagment Letter with North Slope for external financial advisory services.

2018 Election Resolution: Mr. Myers presented for the Boards' consideration and approval the 2018 Election Resolution. Upon motion duly made by Director Taruffelli, and seconded by Director Savela, it was unanimously

RESOLVED to approve the 2018 Election Resolution.

Amended and Restated Public Records Request Policy: Ms. Bear presented for the Boards' consideration and approval the Amended and Restated Public Records Policy. Upon motion duly made by Director Taruffelli, and seconded by Director Savela, it was unanimously

RESOLVED to approve the Amended and Restate Public Records Request Policy.

Amendment to Reimbursement and Acquisition Agreement between District No. 1 and Barefoot LLC: Ms. Bear presented for the Boards' consideration and approval the Amendment to Reimbursement and Acquisition Agreement between District No. 1 and Barefoot LLC. Upon motion duly made by Director Taruffelli, and seconded by Director Savela, it was unanimously

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RESOLVED to approve the Amendment to Reimbursement and Acquisition Agreement between District No. 1 and Barefoot LLC.

MANAGEMENT &
OPERATIONS
MATTERS

Manager's Report: Mr. Myers reviewed with the Boards the report included in the Board packets with an overview of District activities.

Consider Approval of 2018 Annual Administrative Matters Resolution: Mr. Myers presented for approval the 2018 Annual Administrative Resolution. Upon motion duly made by Director Tarufelli, seconded by Director Savela, and upon vote, it was unanimously

RESOLVED to approve the 2018 Annual Administrative Resolution, as presented.

Consider 2018 Regular Meeting Dates: Ms. Green noted the regular meeting dates are outlined in the 2018 Annual Administrative Matters Resolution. The Board will meet the second Wednesday of February, May, August, and November.

2018 Service Agreements: Ms. Myers reviewed the 2018 service vendors and requested the Boards authorize two Board members to approve the service contracts that are within the O&M Budget Worksheet, once the scopes are finalized. Upon motion duly made by Director Tarufelli, seconded by Director Carro, and, upon vote, unanimously carried, it was

RESOLVED to approve 2018 contracts and agreements within approved 2018 budgeted amounts, and authorize Director Savela and Director Carro to execute final agreements.

OTHER
MATTERS

Directors' Comments: There were no items brought before the Board for consideration.

CONSTRUCTION
MATTERS

Jean Jennings reviewed the Construction Report with the Board and answered questions.

Ratification of Independent Contractor Agreement, Change Orders and Task Orders: Ms. Jennings reviewed and recommended ratification of the previously-approved Independent Contractor Agreement, Change Orders, and Task Orders listed in the Construction Report:

1. Split Rail Fence Co. Change Order #5 in the amount of \$13,577.48
2. Brightview Landscape Change Order #14 in the amount of \$22,583.57, and Change Order #15 in the amount of \$12,820
3. Velocity Constructors, Inc. Change Order #1 in the amount of \$22,749

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Following review and discussion, upon motion duly made by Director Carro, seconded by Director Savela, it was unanimously

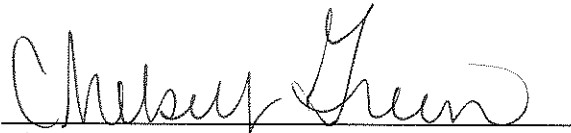
RESOLVED to ratify the Independent Contractor Agreement, Change Orders, and Task Orders listed in the Construction Report as noted above, as presented.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Director Taruffelli, seconded by Director Savela, and upon unanimous vote, the meeting was adjourned at 4:06 p.m.

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

Respectfully submitted,



Chelsey Green, Recording Secretary for the Meeting