

MINUTES OF THE JOINT REGULAR MEETING OF THE
BOARDS OF DIRECTORS

ERIE COMMONS METROPOLITAN DISTRICT NOS. 1 AND 2

Held: October 24, 2019, at 11:30 A.M., at 2500 Arapahoe
Avenue, Suite 220, Boulder, Colorado.

Attendance/Qualification

A joint regular meeting of the Boards of Directors of Erie Commons Metropolitan District Nos. 1 and 2 was held as shown above and in accordance with the applicable statutes of the State of Colorado. The following Directors, having confirmed their qualification to serve on the Boards, were in attendance:

For District No. 1:

Jon R. Lee
Jessica Brothers
Steve Rane

For District No. 2:

Jon R. Lee
Jessica Brothers
Steve Rane
William "Tripp" Martin
Kelly Farmer

Also present for the District: K. Sean Allen, Esq., White, Bear, Ankele, Tanaka & Waldron, Attorneys at Law, District general counsel; Creig Veldhuizen, Piper Sandler & Co, Municipal Advisor; and members of the public and commercial property owners.

Combined Meeting

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

Call to Order/Quorum

It was noted that a quorum of the Districts' Boards were present and called the meeting to order.

Disclosure Matters

Mr. Allen advised the Boards that, pursuant to Colorado law, certain disclosures by the Directors may be required prior to taking official action at the meeting. The agenda for the meeting was reviewed, following which each Director confirmed that nothing appeared on the agenda for which disclosure certificates

had not been filed. The disclosure certificates, having been reviewed by the relevant Directors, were made part of the official minutes of the meeting by reference. The Boards determined that participation by the Directors with potential conflicts of interest was necessary to obtain a quorum or otherwise enable lawful action to occur.

Approval of Agenda

The Directors reviewed the agenda. Following discussion, upon motion duly made by Director Brothers and seconded by Directors Lee, the Board approved the agenda for District No. 1. Upon motion duly made by Director Martin and seconded by Directors Brothers, the Board approved the agenda for District No. 2.

Approval of Minutes

The joint minutes from the April 25, 2019, meeting were submitted for approval. Following discussion, upon motion duly made by Director Rane and seconded by Director Brothers, the Board for District No. 1 approved the minutes. Upon motion duly made by Director Rane and seconded by Director Brothers, the Board for District No. 2 approved the minutes.

Public Comment

None.

Financial Matters

Financial Statements and Payables

Mr. Rane presented the financial statements dated September 30, 2019 and payables for District No. 1. Following Discussion, upon motion duly made by Director Brothers and seconded by Director Lee, the Board unanimously accepted the financial statements and ratified the payables.

Mr. Rane presented the financial statements dated September 30, 2019 for District No. 2. Following Discussion, upon motion duly made by Director Martin and seconded by Director Brothers, the Board unanimously accepted the financial statements.

2019 Budget Amendment Hearing/Consider Approval of Resolution Amending 2019 Budget

Director Rane opened the public hearing on the 2019 Budget Amendment. Mr. Allen noted that the notice of public hearing was provided in accordance with Colorado Law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

Director Rane reviewed the Resolution Amending the 2019 Budget with the Board for District No. 1. Following discussion, upon a motion duly made by director t and seconded, the Board of District No. 1 unanimously adopted the resolution amending the

General Fund to \$34,066,179.

Director Rane reviewed the Resolution Amending the 2019 Budget with the Board for District No. 2. Following discussion, upon a motion duly made by director t and seconded, the Board of District No. 2 unanimously adopted the resolution amending the General Fund to \$34,753,122.

2020 Budget Hearing/Consider Adoption of 2020 Budget Resolution

Director Rane opened the public hearing on the proposed 2020 Budget. Mr. Allen noted that the notice of public hearing was provided in accordance with Colorado law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

Director Rane reviewed the 2020 Budget Resolution with the Board of District No. 1. Following discussion, upon a motion duly made by Director Rane and seconded by Director Brothers, the Board unanimously adopted the resolution adopting the 2020 Budget, appropriating funds therefor and certifying 55.663 mills for the general fund.

Director Rane reviewed the 2020 Budget Resolution with the Board of District No. 2. Following discussion, upon a motion duly made by Director Martin and seconded by Director Farmer, the Board unanimously adopted the resolution adopting the 2020 Budget, appropriating funds therefor and certifying 3.663 mills for the general fund and 52.000 for the debt fund.

District No. 1: Shea Homes Subordinate Annual Appropriated Reimbursement Note 2020

The Board engaged in a general discussion. It was noted that the 2019 note will be replaced upon its year-end maturity with the 2020 note for any outstanding balance, if any. It was noted that the Shea Note may be repaid in full with the proceeds of the Series 2019 Bonds. Following discussion, upon motion duly made by Director Rane and seconded by Director Lee, the Board approved the 2020 annually appropriated note, if necessary.

District No. 2: Discussion of Debt Refinance Status; Discuss and Consider Engagement of Bond Counsel, Underwriter, and Financial Advisor

Director Rane noted to the Board that the call protection on the existing debt ends December 1, 2019 and the plan is to refinance the debt in December, and with the assistance of a municipal advisor, Mr. Creig Veldhuizen with Piper Sandler & Co.

Mr. Veldhuizen presented the role of municipal advisor to District No. 2 as a fiduciary to the District in the bond transaction. It was noted the value delivered by the municipal advisor get best deal structure (economic value), leads the transaction process, and

promote transparency in the bond pricing. The objective is to take the blended thirty seven million (\$37,000,000) of existing debt with a 7.5% interest rate, and refinance at a lower rate.

General Matters

Discuss and Consider Adoption of Resolution Concerning Online Notice of Regular and Special Meetings

The Boards engaged in a general discussion regarding the Resolution Concerning Online Notice of Regular and Special Meetings. Following discussion, upon motion duly made and seconded, the Board determined to continue with physical postings. Director Farmer and Director Martin requested to be copied on notice transmissions for posting.

Discuss and Consider Adoption of Resolution Concerning May 2020 Director Election

The Board for District No. 1 reviewed the Resolution Concerning May 2020 Director Election. Following discussion, upon motion duly made by Director Lee and seconded by Director Rane, the Board adopted the resolution.

The Board for District No. 2 reviewed the Resolution Concerning May 2020 Director Election. Following discussion, upon motion duly made by Director Martin and seconded by Director Lee, the Board adopted the resolution.

Update on Service Plan Amendment; New Commercial District Creation; Ratify Fourth Amendment to Annexation Agreement; Commercial Property Exclusions and Inclusions
Discuss and Consider Amending and Terminating Master IGA Effective Upon Debt Refinance;

Mr. Rane summarized the service plan amendment approval given by Erie. The Boards reviewed the Fourth Amendment to Annexation Agreement for ratification where the Districts agreed not to revoke their overlap consent given for formation of new District No. 3. Following discussion, upon motion duly made by Director Lee and seconded by Director Rane, the Board for District No. 1 ratified the agreement. Upon motion duly made by Director Martin and seconded by Director Brothers, the Board for District No. 2 ratified the agreement.

The Board for District No. 1 engaged in a general discussion regarding Amending and Terminating Master IGA Effective Upon Debt Refinance. Following discussion, upon motion duly made by Director Brothers and seconded by Director Lane, the Board for District No. 1 amended the Master IGA and upon motion duly made by Director Lee and seconded by Director Rane, the Board unanimously terminated the Master IGA.

The Board for District No. 2 engaged in a general discussion regarding Amending and Terminating Master IGA Effective Upon Debt Refinance. Following discussion, upon motion duly made by Director Martin and seconded by Director Farmer, the Board for District No. 2 amended the Master IGA and upon

motion duly made by Director Martin and seconded by Director Lee, the Board unanimously terminated the Master IGA.

District Coordinating
Services Agreement

The Boards engaged in a general discussion regarding the District Coordinating Services Agreement. Following discussion, upon motion duly made by Director Brothers and seconded by Director Rane, the Board for District No. 1 unanimously approved the agreement. Upon motion duly made by Director Martin and seconded by Director Farmer, the Board for District No. 2 unanimously approved the agreement.

Next Regular Meeting

The next regular meeting of the Boards of Directors will be held on April 23, 2020.

Adjournment

There being no further business to come before the Boards, and upon motion duly made, seconded and unanimously carried, the Boards determined to adjourn the meeting.

The foregoing minutes were approved by the Boards of Directors on April 23, 2020, and constitute a true and correct copy of the minutes of the above-referenced meeting.

Steve Rane
Steve Rane (Jun 30, 2020 09:11 MDT)

Secretary for the Meeting