

LEWIS POINTE METROPOLITAN DISTRICT

Special Board Meeting Minutes

Meeting Date: Thursday October 27, 2020

Meeting Time: 5:34pm to 7:29pm

Meeting Location: Online video conference

I. Roll Call (5:34 pm)

A special meeting of the Board of Directors of the Lewis Pointe Metropolitan District (District) was called and held as shown above and in accordance with the statutes of the State of Colorado. The following Directors were in attendance:

Directors	Office	Attendance
Pete Adler	President	Present
Amy Jones	Treasurer	Present
Robert Maples	Assistant Secretary	Present
Anthony Garcia	Assistant Secretary	Present
Shane Sena		Present

Also, in attendance was Charles Wolfersberger (District Manager) and Jennifer Brink, Wolfersberger, LLC, Stephanie Ceccato from Paul Rufien, LLP (District's general counsel) and no homeowners.

II. Call to Order

Meeting was called to order by Director Adler. Director Adler noted that a quorum of the Board was present, and the Directors confirmed their qualification to serve and, therefore, called the special meeting of the Board of Directors of the District to order.

III. Present disclosures of potential conflicts of interest

The District Manager reminded the board that pursuant to Colorado law, certain disclosures by the Board members may be required prior to taking official action at the meeting. The Board reviewed the agenda for the meeting, following which all directors reported no conflicts of interest. The District Manager indicated the public notice regarding the meeting was posted in a timely manner on the District's website.

IV. Public Comments – None

V. Financial Matters

- 1) Update regarding reimbursement due to District for Willow Bend Metro water bills: The District Manager reported that he received a check from Lennar Colorado, LLP for \$16,291 to reimburse the District for paying Willow Bend Metro District's water bills between 2018 and

2020. The prior District accountant mistakenly processed and paid the water bills for Willow Bend Metro District for three years out of the District's account. During this three-year period of time, the majority of directors on both the Willow Bend Metro District and Lewis Point Metro District were employees of Lennar.

VI. Bond Refinancing

Status Update – Bond Refinancing Proposals: The District Manager reviewed with the Board the refinancing proposals submitted by DA Davidson and BBVA Compass Bank. The District Manager also reviewed with the Board debt payoff terms of 20 years, 25, years, 30 years and 40 years and the approximate impact each payoff term had on annual property tax assessments paid by homeowners. The Board noted that all payoff scenarios produce a reduction in the annual property tax assessments paid by homeowners.

The District Manager reviewed the draft of the 2021 budget with the Board and noted the mill levy to fund District operations in 2021 is proposed to decrease and provide savings to homeowners. The District Manager also reviewed the property taxes paid by homeowners to fund the District's current debt repayment obligations.

The District Manager provided a follow-up report on the issue regarding the refinancing of the Junior Lien Bonds. The bonds were issued in March 2017 at a significant discount. The District only received cash totaling \$327,205 from issuing the \$536,000 Junior Lien Bonds. Interest accrues at 9% annually on these bonds and total accrued, unpaid interest on these bonds will be approximately \$203,000 by the end of 2020.

As of December 15, 2020, the payoff amount on the Junior Lien Bond will be \$739,601, which is comprised of \$536,000 principal plus \$203,601 accrued, unpaid interest. This payoff amount represents a net effective interest rate of approximately 20.5% on the Junior Lien Bond. To comply with the 18% maximum interest rate restriction in the District's Service Plan, the District could only pay the Junior Lien Bond holder approximately \$689,101 to retire the entire bond as of December 15, 2020. This payoff amount is \$50,500 less than the payoff amount calculated per DA Davison's March 2020 bond refinance proposal.

The Board agreed the overpayment amount on the junior lien bonds was not large enough compared to the potential savings that can be passed on to the homeowners to warrant delaying the refinance transaction to resolve the junior lien debt payoff issue.

Director Garcia requested additional information regarding the interest rate available on a 30-year bond. Generally, the Board agreed that they preferred a bank loan with a 20-year payoff rather than a 20-year bank loan with a balloon payment in year 20 that would be refinanced with another 5-year loan.

Director Garcia recommended the cash out portion of the refinance transaction be reduced from \$400,000 to \$100,000 to fund the District's capital project fund. He prefers to see the capital project fund cash balance be built up using tax collections rather than interest-bearing debt. The other Directors agreed with Director Garcia's recommendation.

Action item #1: The District Manager will contact Piper Sandler & Co about and request they submit a proposal to issue 30-year bonds to refinance the District's debt.

VII. Director Matters

Director Jones reported the ice cream social event is scheduled for next week. She also discussed proposed changes to the Design Guidelines including reducing the set-back requirements from property lines.

Action item #2: Director Jones will submit proposed changes to the Design Guidelines to the District Manager to include in the next Board meeting packet.

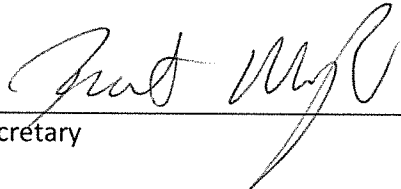
The District Manager recommended the Board consider updating its covenant enforcement policy to address several issues including actions to be taken against homeowners when property maintenance violations are not addressed after the District issues multiple notices and fines.

Action item #3: The District Manager will send the Board a proposed amended and restated covenant enforcement policy to review and consider at the next Board meeting.

VIII. Executive Session – None

IX. Adjournment (7:29 pm)

There being no further business to come before the Board, and upon motion duly made by Director Adler, seconded by Director Garcia and unanimously carried, the meeting was adjourned. The next board meeting will be held at 5:30 pm on Monday November 16, 2020 via online video conference. Log-in details for the meeting will be provided in the meeting agenda that will be posted on the District's website.



Secretary

11/20/20

Date