

LEWIS POINTE METROPOLITAN DISTRICT

Special Board Meeting Minutes

Meeting Date: Monday December 07, 2020

Meeting Time: 5:32pm to 6:19pm

Meeting Location: Online video conference

I. Roll Call (5:32 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
Anthony Garcia	Secretary	Present
Robert Maples	Assistant Secretary	Present
Shane Sena	Assistant Secretary	Present

Also, in attendance was Charles Wolfersberger (District Manager), Wolfersberger, LLC, Jonathan Heroux with Piper Sandler and Stephanie Ceccato (general counsel for the District) with Paul Rufien PC.

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.

IV. Public Comments – None

V. Financial Matters

- 1) Review and consider bids from Piper Sandler and Stifel Nicholas to refinance Districts' Series 2015 and 2017 bonds: The Board reviewed and discussed bond refinance proposals submitted by Piper Sandler and Stifel Nicholas. Mr. Heroux reviewed Piper Sandler's refinance proposals and answered questions posed by the directors. The Board noted principal and interest

payments due on the District's current debt in 2020 totaled approximately \$888,000. The refinance proposal submitted by Piper Sandler reflects annual payments of principal and interest totaling approximately \$557,000 per year for 27 years. Considering 373 homes are located within the District, the annual reduction in property tax revenue would be approximately \$887 per house ($=[\$888,000 - \$557,000] / 373$ homes) compared to property taxes homeowners paid to the District in 2020 to fund debt repayments.

The Board reviewed and discussed other financing proposals including (1) repayment of the District's debt over 20 years rather than 27 years using a bank loan and (2) repayment of the District's debt over 27 years with annual payments that increased annually over 27 years (from \$508,000/year to \$660,400/year). The Board generally expressed a preference for debt that has flat annual payments over a 27-year period.

Director Garcia motioned to hire Piper Sandler as the District's underwriter for refinancing the District's bonds. Director Sena seconded the motion and the Board vote 5-0 to approve the motion.

Director Garcia motioned to approve the refinance parameters reflected Piper Sandler's proposal provided in "Exhibit 02c" (i.e. 27 year payoff term, level annual debt repayments, only refinancing the District's A, B and C bonds, purchasing a surety policy to avoid maintaining a cash reserve balance). Director Maples seconded the motion and the Board voted 5-0 to approve the motion.

Director Garcia motioned to authorize Director Adler to (1) hire bond counsel to represent the District in this bond refinance transaction and (2) execute any other administrative tasks required by the District's underwriter and/or bond counsel necessary to accomplish the refinance parameters reflected Piper Sandler's proposal provided in "Exhibit 02c". Director Jones seconded the motion and the Board voted 5-0 to approve the motion.

Mr. Heroux estimated that the refinance transaction would take between 7 to 9 weeks to complete.

VI. Director Matters

Director Maples expressed concern regarding whether the refinancing of the Junior Lien "C" bonds would weaken the District's ability to potentially seek recovery of damages caused by the inequitable terms of the junior lien bonds. Specifically, because DA Davidson purchased the Junior Lien Bonds at a substantial discount (61% of par value) in 2017, repayment of the face value of the Junior Lien Bonds plus accrued, unpaid interest will cause the net effective interest rate paid on these bonds to be approximately 20.5%, which is in violation of the 18% maximum interest rate cap established by the voters.

Because Kutak Rock was the District's bond counsel when the Junior Lien Bonds were issued with a projected net annual effective interest rate of 38.8%, the Board agreed that Kutak Rock should not serve as bond counsel for the District on this current refinance transaction.

The District Manager pointed out the savings that would accrue to the homeowners is significant and justifies the Board's decision to refinance the District's debt. The refinancing of the Junior

Lien Bonds should not be interpreted as the Board condoning or ignoring the potential financial damages caused to the District from the issuance of the inequitable Junior Lien Bonds.

VII. Adjournment (6:19 pm)

There being no further business to come before the Board, and upon motion duly made by Director Garcia, seconded by Director Maples and unanimously carried, the meeting was adjourned. The next regular board meeting will be held at 5:30 pm on Monday February 01, 2021.

DocuSigned by:
Anthony Garcia

2/1/2021

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Secretary

Date