

**MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF WINTER FARM METROPOLITAN DISTRICT NO. 2**

Thursday, July 6, 2017 at 6:00 p.m.  
Windsor Community Recreation Center - Oak Room  
250 N. 11<sup>th</sup> Street  
Windsor, CO 80550

Attendance                      The meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors were in attendance:

Bryan Wischer, President  
David Olson, Secretary  
Lee Grasmick, Treasurer  
Preston Pierson, Assistant Secretary

Directors absent and excused:  
None.

Also present: Tisha Higgins, Consulting Group, LLC (via teleconference), Bill Ankele, White Bear Ankele Tanaka & Waldron

Call to Order                    Mr. Wischer noted that a quorum of the Board was present, and therefore called the meeting of the Winter Farm Metropolitan District No. 2 to order.

Disclosure Matters            The Board discussed that pursuant to Colorado law, certain disclosures by the directors may be required prior to taking official action at the meeting. The Board reviewed the agenda for the meeting, following which each Director confirmed the contents of any written disclosure 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.

Approval of Agenda           Upon motion made by Director Pierson, seconded by Director Grasmick and unanimously carried, the Board approved the Agenda as presented.

Public Comment                There were no public comments presented.

Appointment of Vacancy  
June 8, 2017 Special  
Meeting Minutes

Deferred.

The Board reviewed the June 8, 2017 Special Meeting Minutes. Upon motion made by Director Wischer, seconded by Director Grasmick and unanimously carried, the Board approved the minutes, as revised.

## FINANCIAL MATTERS

Acceptance of District  
Eligible Costs and Expenses  
for Additional Public  
Improvements

Mr. Ankele presented a Memorandum concerning the proposed acceptance of District-eligible costs relating to public improvements constructed by Lorson South, the developer of the remaining lots within the District, which Memorandum is attached to these Minutes. Under the Infrastructure Acquisition and Reimbursement Agreement between Lorson South, and Districts No. 1 and 2 (the "Infrastructure Agreement"), a process was established by which additional public infrastructure to be built by Lorson South for the project would be identified, the costs to construct determined, and the sufficiency of the improvements for their intended purposes verified.

Joint Resolution Regarding  
Acceptance of District  
Eligible Costs and  
Acquisition of Public  
Infrastructure and Draw  
Request Under Funding  
Agreements

Advance Request Certificate

Mr. Ankele stated that Lorson South had submitted materials required under the Agreement, and that certifications had been received from both a CPA and an Engineer as required by the Agreement, establishing a total of \$7,482,017.04 in costs that would be eligible for the District to reimburse. However, he noted that the maximum allowable reimbursement under the Agreement was \$6.0 Million and any amount in excess of this maximum would not be reimbursable. Additionally, he noted that reimbursement was also limited by the remaining electoral authorization. As a result, only the amount of \$3,669,597.16 was being proposed for reimbursement at this meeting.

Mr. Ankele also noted that the Memorandum was prepared in early June and that the items that were described on Page 4 as still pending at that time, had now been completed and all requirements of the Infrastructure Agreement had been satisfied.

As described in the attached Memorandum, when amounts are approved for reimbursement under the Infrastructure Agreement, such amounts are to be recorded as an amount owing under a Subordinate Note in the maximum principal amount of \$4.0 Million issued to Lorson South in accordance with a Subordinate Infrastructure Financing Agreement between Lorson South and the District. As such, upon acceptance of District-eligible costs as proposed, the balance of the Subordinate Note would be established at \$3,669,597.16.

Additional details concerning these matters is addressed in the Memorandum, which shall be attached to these Minutes and incorporated herein.

In accordance with the Agreement, Mr. Ankele presented a Joint Resolution of District Nos. 1 and 2 Regarding Acceptance of District Eligible Costs and Acquisition of Public Infrastructure. Following discussion, and upon motion of Mr. Grasmick, which was seconded by Mr. Olson, the Joint Resolution was approved.

Mr. Ankele noted that under the Compass Loan, there were amounts that were available to be drawn to pay down the balance of the Subordinate Note based on evidence being presented regarding new home construction within the area being developed by Lorson South. The Compass Loan prescribed a formula to be applied to determine the amount of additional Loan proceeds that could be released based on new home construction. Mr. Ankele presented materials that had been prepared in satisfaction of these requirements, which would allow the amount of \$1,197,960 to be released. Under the Compass Loan, any such amounts are to be used to pay down the balance owing on the Subordinate Note.

Since the Subordinate Note has a balance of \$3,669,597.16, after applying the amount of \$1,197,960 against this balance, the remaining balance of the Subordinate Note would be \$2,471,637.10.

Under the Compass Loan, the District must approve the amount of the draw in the form of an Advance Request Certificate to be presented to Compass Bank. A copy of that Certificate was presented to the Board for approval. Following discussion and upon motion by Director Olson, and a second by Director Pierson, the Advance Request Certificate was approved. Mr. Ankele will verify that the listing of homes completed through June 30, 2017 is sufficient under the Compass Loan to support the release.

## OTHER BUSINESS

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| Next Meeting | The next regular meeting of the Board is scheduled for September 14, 2017, at 6:00.                                    |
| Adjournment  | Upon motion made by Director Pierson, seconded by Director Wischer and unanimously carried, the meeting was adjourned. |

The foregoing constitutes a true and correct copy of the Minutes of the July 6, 2017 Special Meeting of the Board of Directors of the Winter Farm Metropolitan District No. 2.



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Preston Pierson, Assistant Secretary

The foregoing minutes were approved on the 21<sup>st</sup> day of September, 2017.