

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 4

Held: Tuesday, June 25, 2019 at 7:30 a.m., at The Abundant Life Tabernacle, 5450 River Ranch Parkway, Johnstown, Colorado 80534.

Attendance:

A special meeting of the Board of Directors of the Thompson Crossing Metropolitan District No. 4 was scheduled in compliance with the laws of the State of Colorado, with the following directors in attendance:

Bruce Rau, President
Brandon Wyszynski, Secretary/Treasurer (*via telephone*)
Joel Kiesey, Assistant Secretary
Bill Stevens, Assistant Secretary

The following directors were absent (absences excused):

None

Also present were: Dawn Jones, CliftonLarsonAllen, LLP; Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.; Russ Hofer, MSI, LLC; Jerry Jacobs, Timberline District Consulting, LLC; Jason Pock, Oakwood Homes; Stephanie Chichester and Nick Taylor, North Slope Capital; Brooke Hutchens, D.A. Davidson & Co.; Tiffany Leichman, Sherman & Howard, LLC (*via telephone*) and the following members of the public: Ian Rousom, Natalie Allen, Steve Sides, Phil Beedle, Lynn Beedle, Elaine Hoffman, Jim Mayer, and Vicki Mayer.

Call to Order:

Director Rau, noting the presence of a quorum, called to order the special meeting of the Board of Directors of the Thompson Crossing Metropolitan District No. 4.

Director Matters/ Disclosure Matters:

Ms. Ivey then advised 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 then reviewed the agenda for the meeting, following which each Board member

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confirmed the contents of any 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 members present was necessary to obtain a quorum or otherwise enable the Board to act.

Director Rau disclosed his interests and association with Clayton Properties Group II, Inc., a Colorado corporation and developer within the boundaries of the District, and noted his board membership on each of Thompson Crossing Metropolitan District Nos. 3, 5, and 6. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Wyszynski disclosed his interests and association with Clayton Properties Group II, Inc., a Colorado corporation, and noted his board membership on each of the Thompson Crossing Metropolitan District Nos. 3, 5, and 6. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Stevens, a resident of and homeowner in the District, disclosed his ownership interest in his home. This disclosure is associated with approval of items on the agenda that may affect his interests.

Written disclosures of these interests had been filed with the Secretary of State and the Board prior to the meeting.

Approval of/Additions
to/Deletions from the
Agenda:

After discussion, upon motion of Director Stevens and second of Director Kiesey, the Board unanimously approved the agenda with the addition of Items 4.5 a – b as follows:

- a. Recommendation to adopt committee guidelines and form a landscaping committee (information distributed at meeting);
- b. Recommendation to request Thompson Crossing Metropolitan District No. 3 to review MSI, LLC's contract and go out for bids on potential alternative; and
- c. Request for Oakwood Homes to provide a detailed plan of community and amenity build-outs with hard dates listed where possible and potential dates for others.

Public Comment For
Matters Not on the

Ms. Beedle addressed the Board to advise them that several homeowners have been approached to lease their mineral rights and

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Agenda: she requested that if Oakwood Homes enters into such a lease that any lease payments be used to fund community amenities.

Director Kiesey inquired if Thompson Crossing Metropolitan District No. 3 had ever completed a reserve study. Ms. Jones advised that it had not. Director Rau noted that Oakwood Homes continues to fund shortfalls in the District's operating budget at this time and therefore the District has not yet focused on reserves.

Director Stevens'
Recommendations:

- a. *Recommendation to adopt committee guidelines and form a landscaping committee (information distributed at meeting).*

Director Stevens reviewed with the Board his proposed committee guidelines and recommendation to form a landscaping committee. Director Wyszynski requested that he be sent a copy of the information since it was not included as an agenda item and therefore is not in the meeting materials he received. Ms. Ivey noted that she had just received a copy but on initial review other than a few changes for legal compliance she thought the recommendations looked generally fine. Ms. Ivey inquired who would chair the committee since the recommendations did not include that information. Director Stevens stated that it would be a homeowner. Director Rau noted some corrections to clarify who should be contacted regarding various landscaping concerns, suggested that a representative be added from Thompson Crossing Metropolitan District No. 6 so that the whole community is covered by this committee, clarified that the committee's purview should be limited to common areas owned by Thompson Crossing Metropolitan District No. 3, and stated that the Board should have the power to remove committee members that are not complying with the committee guidelines. After further discussion the Board tabled this item to its next meeting for consideration after legal review and revisions and incorporation of the comments received today. The Board directed Ms. Ivey to work with MSI LLC to circulate an application to members of the community that would be interested in sitting on the committee.

- b. *Recommendation to request Thompson Crossing Metropolitan District No. 3 to review MSI, LLC's contract and go out for bids on potential alternative.*

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Director Kiesey stated that the concern here is that MSI LLC is not responsive, needs prodding to get things done, that many landscaping issues go unresolved, and other district's he has talked to have gone to other companies for this work. Director Rau clarified that MSI LLC primarily handles covenant enforcement and communication with residents, while Timberline District Consulting, LLC is the primary manager and would handle landscaping concerns that are not on property owned by residents and, also, is tasked with managing MSI LLC's contract. Director Rau requested that Mr. Jacobs request community comments regarding which services are lacking and report that information back to the Thompson Crossing Metropolitan District No. 3 Board of Directors. After further discussion, upon motion of Director Kiesey and second of Director Stevens, the Board unanimously approved requesting Thompson Crossing Metropolitan District No. 3 to review MSI, LLC's contract and go out for bids on potential alternatives.

Director Stevens stated that Thompson Crossing Metropolitan District No. 3 needs to have resident representatives on its Board of Directors. Director Rau noted that there are some difficulties with this request given that no homeowners reside in Thompson Crossing Metropolitan District No. 3 but stated that he understands Director Stevens concern. After further discussion, upon motion of Director Stevens and second of Director Kiesey, the Board approved (with Director Rau abstaining) requesting Thompson Crossing Metropolitan District No. 3 to place residents on its Board of Directors in a timely manner.

- c. *Request for Oakwood Homes to provide a detailed plan of community and amenity build-outs with hard dates listed where possible and potential dates for others.*

Director Wyszynski will provide this information as requested.

Approval of Minutes:

After discussion, upon motion of Director Wyszynski and second of Director Stevens, the Board unanimously approved the June 11, 2019 special meeting minutes.

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Approval of Series 2006
Bond Purchase
Settlement Agreement:

Mss. Ivey and Leichman reviewed with the Board a proposed Resolution Approving a Bond Purchase Option Agreement and Bond Purchase Option Agreement which were included in the meeting packet. Ms. Leichman noted that entering into this Agreement does not obligate the District to move forward with the proposed 2019 bond transaction and defeasance of the 2006 bonds but allows it to do so at its option. After further discussion and review, upon motion of Director Stevens and second of Director Kiesey, the Board unanimously approved the Resolution Approving a Bond Purchase Option Agreement and Bond Purchase Option Agreement.

Series 2019 Bonds:

Schedule of Events:

Ms. Ivey reviewed the Schedule of Events included in the meeting packet and reported that the District is currently ahead of schedule on various items. Ms. Ivey and Director Rau discussed with the Board the purpose of Preliminary Limited Offering Memorandum and the Market Study. After discussion the Board set a special meeting at 7:30 a.m. on July 25, 2019 at the Abundant Life Tabernacle to discuss bond related items.

Engagement of
Financial Advisor
Update:

Directors Stevens and Kiesey reported that they had selected North Slope Capital as the District's Financial Advisors and begun preliminary discussion with them regarding the proposed bond issuance. Ms. Ivey reported that the engagement has been finalized as authorized by the Board at its June 11, 2019 special meeting. Ms. Chichester and Mr. Taylor introduced themselves and discussed their role in the transaction and duties to the District.

Ms. Hutchens departed the meeting at this time.

Consider Engagement
of Underwriter/
Investment Banker
DA Davidson:

Ms. Ivey discussed with the Board the proposal received from DA Davidson. Directors Stevens and Kiesey stated that they had completed the due diligence they wanted to complete to satisfy themselves that DA Davidson was a good fit for this role and were satisfied that they were. After further discussion and review, upon motion of Director Kiesey and second of Director Stevens, the Board unanimously approved engaging DA Davidson as underwriter with the removal of the provision in their engagement letter regarding subordinate bonds issuances.

Consider Engagement

Ms. Ivey and Director Rau discussed with the Board the potential

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- of Disclosure
Counsel Butler Snow: benefits and detriments to having the District engage Disclosure Counsel rather than having the Underwriter engage them. After further discussion and review, upon motion of Director Stevens and second of Director Kiesey, the Board unanimously approved engaging Butler Snow as Disclosure Counsel.
- Consider Inclusion of
Property: Ms. Ivey discussed with the Board the potential to include the 77 carriage houses that currently lie within the boundaries of Thompson Crossing Metropolitan District No. 5 into the boundaries of Thompson Crossing Metropolitan District No. 4 and exclude them from the boundaries of Thompson Crossing Metropolitan District No. 5 in order to include the future assessed valuation of those 77 carriage homes in the proposed bond issuance to yield additional money that could be used by Thompson Crossing Metropolitan District No. 4 to cover the cost of public improvements. Director Rau noted that one benefit of this inclusion would be saving on the costs of issuance associated with a bond issuance for these properties from Thompson Crossing Metropolitan District No. 5. Ms. Ivey noted that in order to stay on schedule for a closing on the 2019 bonds by September 15, 2019 the Board would need to act on the inclusion no later than its July 25, 2019 special meeting. Ms. Ivey reviewed the legal process and requirements associated with the inclusion of property within the District. After further discussion the Board directed that Ms. Ivey work on a list of requirements and limitations related to the release of projected project funds from the bond issuance for payment of costs of public improvements and Directors Kiesey and Stevens work with the District's Financial Advisors regarding the proposed inclusion's impact on the proposed 2019 bond issuance. Director Stevens noted that his favorable consideration of this item would require Thompson Crossing Metropolitan District No. 3 to allow residents on its Board of Directors.
- Legal Matters: Ms. Ivey reviewed with the Board a proposed resolution regarding public notice of meetings of the Board including the change in the law based on the passage of House Bill 19-1087 and the additional notices to homeowners requested by Director Stevens. The Board discussed the problems with residents accessing the Community Pool to view postings of public meetings. Director Rau requested that Mr. Jacobs find an alternate posting location within the District that is more accessible to residents and will more prominently provide notice of District meetings. Director Stevens noted that the resolution should refer to the community manager generally instead

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of MSI, LLC specifically. After further discussion and review, the Board tabled this item to its July 25, 2019 meeting with edits based on the discussion and directed that Ms. Ivey coordinate notice being provided in accordance with Paragraphs 2 and 4 of the resolution for the July 25, 2019 special meeting. Director Rau requested that Ms. Ivey prepare matching resolutions for Thompson Crossing Metropolitan District Nos. 3, 5, and 6 for consideration at their respective annual meetings.

Financial Matters: Ms. Jones reported that the District's 2018 audit was completed and filed with the Office of the State Auditor.

Other Business: Ms. Hoffman inquired if the meeting minutes had been posted to the website as requested at the June 11, 2019 special meeting. Mr. Jacobs reported that they had.

Ms. Hoffman requested that the landscaping and trees surrounding stop signs in the neighborhood be trimmed because the stop signs are being partially blocked. Director Stevens noted that the landscaping at Silverwood and the Parkway is particularly overgrown. Mr. Jacobs stated that he would follow-up on this item.

Adjournment: There being no further business to come before the Board, and upon motion of Director Stevens, second of Director Kiesey and unanimous vote, the meeting was adjourned.



Secretary of the Meeting