

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF

THE CANYONS METROPOLITAN DISTRICT NO. 5

Held: Wednesday, February 22, 2017 at 3:30 p.m. at 3033 East 1<sup>st</sup> Avenue, Suite 725, Denver, Colorado 80206

Attendance

The special meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve, were in attendance.

Jonathan Alpert  
Darren Everett  
Mark Nickless

Director Scott Alpert was absent. All director absences are deemed excused unless a contrary notation is recorded in these minutes.

Also present were Clint C. Waldron, Esq., White Bear Ankele Tanaka & Waldron, District General Counsel; Amanda Groneman, Alpert Companies; John Wood, Alpert Companies; Sarah Hunsche and Kevin Collins, CliftonLarsonAllen, District Accountants; Brooke Hutchens, D.A. Davidson (via phone); and Kim Casey Reed, Kutak Rock, Bond Counsel (via phone).

Call to Order

Director Jonathan Alpert called the meeting to order.

Declaration  
Quorum/Director  
Qualifications/Reaffirmation  
of Disclosures

of Director Jonathan Alpert noted that a quorum of the Board was present and that the directors had confirmed their continuing qualification to serve.

Mr. Waldron advised the Board that, pursuant to Colorado law, individual directors are required to disclose any potential conflicts with the Secretary of State at least 72 hours in advance of the meetings of the Board. The Board reviewed the agenda for the meeting, following which directors confirmed that nothing appeared on the agenda for which disclosure certificates had not been filed.

The Board 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 Mr. Waldron presented the proposed agenda to the Board for consideration. Following discussion, upon motion duly made and seconded, the Board unanimously approved the agenda as amended.

Public Comment None.

Approval of Minutes from the October 26, 2016 Board Meeting Mr. Waldron reviewed the October 26, 2016 Minutes with the Board. Following discussion, upon motion duly made and seconded, the Board unanimously approved the minutes.

### **Business**

Review and Consider Approval of Term Sheet and Financing Plan for Series 2017 Bonds Ms. Hutchens reviewed the Term Sheet and Financing Plan for the Series 2017 Bonds with the Board. Following discussion, upon motion duly made and seconded, the Board unanimously approved the Term Sheet and Financing Plan for the Series 2017 Bonds.

Review and Consider Approval of Proposal for Market Study from Meyers Ms. Hutchens reviewed the Proposal for Market Study from Meyers with the Board. Following discussion, upon motion duly made and seconded, the Board unanimously approved the proposal not to exceed \$10,000, and authorized Director Nickless to sign the proposal.

Review and Consider Approval of Letter Agreement for Investment Banking Services with D.A. Davidson & Co. Fixed Income Capital Markets Ms. Hutchens reviewed the Letter Agreement for Investment Banking Services with D.A. Davidson & Co. Fixed Income Capital Markets with the Board. Following discussion, upon motion duly made and seconded, the Board unanimously approved the Letter Agreement for Investment Banking Services with D.A. Davidson & Co. Fixed Income Capital Markets not to exceed the fees listed in the term sheet, and authorize Director Nickless to sign the agreement.

Review and Consider Approval of Special Disclosure of Costs for Legal Services in Connection with Bonds from White Bear Ankele Tanaka & Waldron Mr. Waldron reviewed the Special Disclosure of Costs for Legal Services in Connection with Bonds from White Bear Ankele Tanaka & Waldron with the Board. Mr. Waldron advised the Board that as he is not independent with respect to the Special Disclosure, the Board consider engaging separate counsel to review the Special Disclosure. Following discussion, upon motion duly made and seconded, the Board unanimously approved the

Special Disclosure of Costs for Legal Services in Connection with Bonds from White Bear Ankele Tanaka & Waldron as revised.

Review and Consider Approval of Engagement of Kutak Rock as Bond and Disclosure Counsel Ms. Reed reviewed the Engagement of Kutak Rock as Bond and Disclosure Counsel with the Board. Following discussion, upon motion duly made and seconded, the Board unanimously approved the Engagement of Kutak Rock as Bond and Disclosure Counsel as revised.

Review and Consider Approval of Engagement of CliftonLarsonAllen to Prepare Cash Flow Analysis Ms. Hunsche reviewed the Engagement of CliftonLarsonAllen to Prepare Cash Flow Analysis with the Board. Following discussion, upon motion duly made and seconded, the Board unanimously approved the Engagement of CliftonLarsonAllen to Prepare Cash Flow Analysis.

Review and Consider Approval of Engagement of PIF Counsel Not needed.

Review and Consider Proposal from North Slope Capital Advisors as External Financial Advisor Ms. Hutchens reviewed the Proposal from North Slope Capital Advisors as External Financial Advisor with the Board. Following discussion, upon motion duly made and seconded, the Board unanimously approved the Proposal from North Slope Capital Advisors as External Financial Advisor if needed.

### **Legal Matters**

Review and Consider Funding and Reimbursement Agreement for Capital Costs with North Canyons, LLLP Mr. Waldron reviewed the Funding and Reimbursement Agreement for Capital Costs with North Canyons, LLLP with the Board. Following discussion, upon motion duly made and seconded the Board unanimously approved the agreement.

Other Legal Matters Mr. Waldron updated the Board on the recent developments with the Landmark Case. No action necessary.

Mr. Waldron reviewed the Gallagher Adjustment and potential impact on the District with the Board. No action necessary.

### **Financial Matters**

Consider Approval of Financials/Claims Payable Ms. Hunsche reviewed the claims payables with the Board. Following discussion, upon motion duly made and seconded, the Board unanimously approved the claims payable in the amount of \$1078.44.

Update on Cost Certification Ms. Hunsche updated the Board on the Cost Certification. The

Board directed CLA to prepare a memo showing the process for approval of capital costs and the process for approval of operations and maintenance costs.

**Other Financial Matters**

Ms. Hunsche reviewed the Cash Access Addendum with CliftonLarsonAllen with the Board. Following discussion, upon motion duly made and seconded, the Board unanimously approved the addendum and requested a memo describing the responsibilities of CliftonLarsonAllen and responsibilities of the Board.

**Directors' Items**

None

**Other Business**

None.

**Adjourn**

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

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

  
Secretary for the Meeting

The foregoing minutes were approved on the 25<sup>th</sup> day of April, 2017.