

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF

LANTERNS METROPOLITAN DISTRICT NO. 1

Held: Thursday, May 23, 2019 at 1:00 p.m. at 10 Inverness Drive East, Suite 125, Englewood, CO

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.

Scott Carlson
Kent Carlson
Clay Carlson

Directors Lonny Phelps and Ryan Carlson were absent. All absences are deemed excused unless otherwise noted in these minutes.

Also present were Clint C. Waldron and Megan J. Murphy, Esq., White Bear Ankele Tanaka & Waldron, District General Counsel; Carrie Bartow, CliftonLarsonAllen, LLP, District Accountant; Brooke Hutchens and Sheila Mares, D.A. Davidson; and Terry Hodge and Reggie Carvath, Toll Brothers.

Call to Order

Director Scott Carlson noted that a quorum of the Board was present and called the meeting to order.

Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures

Mr. Waldron advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Waldron reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. Waldron inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Approval of Agenda Mr. Waldron reviewed the proposed agenda with the Board. Following discussion, upon a motion duly made and seconded, the Board approved the agenda as amended.

Public Comment None.

Consent Agenda Mr. Waldron presented the items on the consent agenda to the Board for consideration. Mr. Waldron advised the Board that any item may be removed from the consent agenda to the regular agenda upon the request of any director. No items were requested removed from the consent agenda. Upon motion duly made and seconded, the following items on the consent agenda were unanimously approved and adopted:

- Approval of February 25, 2019 Minutes

Bond Matters

Consider Approval of Certificate Concerning District Financing Mr. Waldron reviewed the Certificate Concerning District Financing which is required to be provided to the Town of Castle Rock by the District prior to the issuance of any indebtedness. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the Certificate.

Review Term Sheet and Financing Plan for Series 2019 Bonds Ms. Hutchens reviewed the Term Sheets and Financing Plans for the Series 2019 Bonds with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the Term Sheets and Financing Plans.

Consider Approval of Proposal for Market Study Ms. Hutchens reviewed the proposal for market study by Meyers Research with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the proposal.

Consider Engagement of King & Associates for Biannual Reassessment Analysis Ms. Hutchens discussed the Engagement of King & Associates for Biannual Reassessment Analysis with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously authorized Director Scott Carlson to sign the engagement.

Consider Ratification of Letter Agreement for Investment Banking Services with D.A. Davidson 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 a motion duly made and seconded, the Board unanimously approved the agreement subject to, final negotiation of the fee.

& Co. Fixed Income Capital
Markets

Consider Approval of Deferred.
Engagement of Ballard
Spahr as Bond Counsel

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

Consider Engagement of Mr. Waldron reviewed the Engagement of Butler Snow as
Butler Snow as Disclosure Disclosure Counsel with the Board. Following discussion, upon a
Counsel motion duly made and seconded, the Board unanimously approved
the engagement.

Review and Consider Mr. Waldron reviewed the Special Disclosure of Costs for Legal
Approval of Special Services in Connection with Bonds from White Bear Ankele
Disclosure of Costs for Legal Tanaka & Waldron with the Board. Following discussion, upon a
Services in Connection with motion duly made and seconded, the Board unanimously approved
Bonds from White Bear the Special Disclosure of Costs.
Ankele Tanaka & Waldron

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

Legal Matters

Discuss and Consider Mr. Waldron reviewed the Funding and Reimbursement
Approval of Funding and Agreement (Operations) with the Board. Following discussion,
Reimbursement Agreement upon a motion duly made and seconded, the Board unanimously
(Operations) approved the Funding and Reimbursement Agreement
(Operations) subject to Toll Brothers' and legal counsel final
review.

Discuss Infrastructure Mr. Waldron reviewed the Infrastructure Acquisition and
Acquisition and Reimbursement Agreement with the Board. Following discussion,
and upon a motion duly made and seconded, the Board unanimously
Reimbursement Agreement approved the Infrastructure Acquisition and Reimbursement
Agreement subject to Toll Brothers' and legal counsels' final
review.

Discuss Cost Certification

Mr. Waldron reviewed the Ranger Engineering proposal for cost verification with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously determined not to engage Ranger Engineering.

Mr. Waldron noted that the District has a current agreement with Independent District Engineering Services, LLC (“IDES”) for cost certification services. Mr. Hodge noted that Toll Brothers has already incurred costs and will be meeting with IDES next week for certification by end of June. He also noted that most of the public improvements are currently being considered by the Town for acceptance.

Update on resubmittal of Service Plan and Inclusion Orders (corrected legal description)

Mr. Waldron and Ms. Murphy reviewed the legal description errors and revised Service Plan and Inclusion Orders with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the revised Service Plan proposal and Inclusion Orders with corrected legal descriptions.

Other Legal Matters

Mr. Waldron reviewed HB19-1087 with the Board. No action taken.

Financial Matters

Consider Approval/Acceptance of Financials and Claims

Ms. Bartow reviewed the April 30, 2019 unaudited financials with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the financials.

Ms. Bartow reviewed the check registrar with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified check Nos. 1431 through 1433 in the amount of \$9,668.19.

Other Financial Matters

None.

Other Business

Discuss Board Transition

Mr. Hodge informed the Board that Toll Brothers is scheduled to purchase the property within District No. 1 in early June 2019. Following discussion, the Board directed legal counsel to work with legal counsel for Toll Brothers and Carlson & Associates to facilitate the transition of Board members.

Adjourn

There being no further business to come before the Board, 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 8th day of July, 2019.