HIGHLANDS RANCH METROPOLITAN DISTRICT
BOARD MEETING ADDENDA

April 26, 2016

Addendum documents can also be viewed at
http://highlandsranch.org
or
http://intranet.highlandsranch.org/default.aspx

- 2016 Entry Islands Improvements
- Draft email to Michael Penny
- HRMD Debt Refinancing (PPT presented at the April 26 board meeting)
2016 Entry Islands Improvements
Goals & Guidelines:

1. Conform to entry/parkway standards
   • Maintainable
   • Safe for staff/contractors
   • Attractive using hardy plants
   • Identifiable with community entries

2. Update the curb appeal while remaining consistent with historic intent.
   • Establish as a gateway
   • Monument is a focal point

3. Design to budget.
Broadway Entry Island – south end

- scored concrete
- new ornamental grass
- existing roses to remain
- existing trees to remain
- new daylilies
- new ornamental trees
- new daylilies
- replace mulch area with grass
- concrete mow strip
Broadway Entry Island – north end

- new pine trees
- new ornamental grasses
- new daylilies
- new ornamental trees
- new perennials & groundcovers in front of monument
- flat-topped boulders/cobble
- scored concrete
- mow strip
- new ornamental grasses
- new daylilies
- new flowering shrubs
- existing trees to remain
- new pine trees
University Entry Island – south end
University Entry Islands – north end

- Ornamental grass
- Daylilies
- Groundcovers
- Perennials by monument
- Flat-topped boulders/cobble
- Re-establish grass areas
- New shade trees
- Matchline (see below)
- Ornamental grass
- Daylilies
- New pine trees
- New ornamental trees
- Concrete mow strip
- New ornamental trees
- Scored concrete
- Groundcovers
- Cobble
- Daylilies
- Ornamental grass
- Scored concrete
- Matchline (see above)
- New ornamental trees
- Flat-topped boulders/mulch
- New shade trees
- Flat-topped boulders/mulch
- New ornamental trees
2016 Budget:

Broadway Island Landscape & Monument Improvements $135,000

University Islands Landscape & Monument Improvements $207,300
Continuing process:

1. Develop similar themed treatment for elevation and wall monuments
2. Meeting with Douglas County and approval process
3. Construction Documents out to bid
4. Appropriation/bid award (June 2016)
5. Construction (July-October 2016)
Questions / Comments
Michael,
Hope you are doing well.
I am responding to the email chain attached.
We have reviewed our correspondence from 2015 and it is clear that we had not agreed to fund the Care Car program during the 2015 budget year. This is supported by the significant discussion that we held concerning whether we wanted to commence funding the program as part of the 2016 budget. Our understanding was that the City would fund the Care Car initially on a trial basis and attempt to get insurance companies contracted to fund it in the future. As the email below indicates, once the Metro District did agree to participate in 2016 we put conditions on our support for the Care Car – our initial financial support for the program. It is our understanding that those conditions were never met. Additionally you may remember, one of our primary concerns was the relatively few responses in 2015 many of which were for treatment of City employees.
Please have the final 2015 calculation adjusted accordingly,
Thanks,

Terry Nolan
General Manager
Highlands Ranch Metro District
62 Plaza Drive
Highlands Ranch, CO 80129
(303) 785-0320

Michael,
Hope you are doing well.
Carolyn has touched base with all of the Metro District Board Members and a majority support funding the Care Car with the following conditions:
1. It has lights and siren and is available and responds to medical emergencies.
2. It responds to nearly as many calls as a Quick Car for the time it is in service.
3. It is available to respond to 911 calls only, not to a 10-digit phone number.
4. The Board receives monthly reports on its use.
Chief,
Please respond to this proposal during your presentation to the Metro District Board on November 24th if not sooner.
During that presentation please discuss revenue impact of loss of transport revenue when the Care Car responds to retirement homes whose residents are primarily insured by Medicare.
Please contact me with your questions or comments.
Thanks,

Terry Nolan  
General Manager  
Highlands Ranch Metro District  
62 Plaza Drive  
Highlands Ranch, CO 80129  
(303) 785-0320
HIGHLANDS RANCH METROPOLITAN DISTRICT
DEBT REFINANCING
PORTIONS OF GENERAL OBLIGATION DEBT OUTSTANDING AS OF DECEMBER 31, 2015
APRIL 26, 2016 - ACTION ITEMS

- Authorizing resolution
- Provided for information only
  - Draft loan agreement
  - Escrow agreement
  - Paying agent agreement – US Bank
PARAMETERS RESOLUTION

- Maximum net effective rate 3.50%
- Any taxable or default rate shall not exceed 10%
- Maximum principal of the loan $35,000,000
- Term of the loan shall not extend beyond December 1, 2026
- Maximum annual repayment shall not exceed $5,000,000
Proposals received for refunding:

- **Met 2 Series 2005 and Met 3 2005 from:**
  - Bank of America
  - JP Morgan/Chase
  - NBH Bank

- **HRMD Series 2008**
  - JP Morgan/Chase

- **No response from**
  - Colorado State Bank and Trust
  - UMB
  - Vectra Bank
  - Wells Fargo
<table>
<thead>
<tr>
<th>Institution</th>
<th>Loan Amount</th>
<th>Maturity</th>
<th>Highest Principal</th>
<th>Rate</th>
<th>Early Call</th>
<th>Closing Costs</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Bank of America/ Merrill Lynch</td>
<td>$ 29,945,000</td>
<td>12/1/2025</td>
<td>$ 4,010,000</td>
<td>1.85%</td>
<td>none</td>
<td>reimburse</td>
<td>actual rate determined 2 days prior to closing</td>
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<td>$ 29,945,000</td>
<td>12/1/2025</td>
<td>$ 4,010,000</td>
<td>2.30%</td>
<td>12/1/2019</td>
<td>($20,000)</td>
<td>subject to change until rate lock letter signed</td>
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<tr>
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<td>$ 29,945,000</td>
<td>12/1/2025</td>
<td>$ 4,010,000</td>
<td>2.00%</td>
<td>12/1/2021</td>
<td></td>
<td>actual rate determined 2 days prior to closing</td>
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<tr>
<td>Chase/ JP Morgan</td>
<td>$ 29,945,000</td>
<td>12/1/2025</td>
<td>$ 4,010,000</td>
<td>1.79%</td>
<td>none</td>
<td>reimburse exp &amp; legal not to exceed $10,000 for one or $15,000 for two</td>
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<td>$ 29,945,000</td>
<td>12/1/2025</td>
<td>$ 4,010,000</td>
<td>1.92%</td>
<td>12/1/2019</td>
<td>$15,000 for two</td>
<td>subject to change until rate lock letter signed</td>
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<td>$ 29,945,000</td>
<td>12/1/2025</td>
<td>$ 4,010,000</td>
<td>1.85%</td>
<td>12/1/2021</td>
<td></td>
<td>actual rate determined 2 days prior to closing</td>
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<tr>
<td>NBH/ Community Banks of CO</td>
<td>$ 29,945,000</td>
<td>12/1/2025</td>
<td>$ 4,010,000</td>
<td>2.89%</td>
<td></td>
<td>waived expenses, legal not to exceed $20,000</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>10 days prior to close or lock in 30 days for 20bps</td>
<td></td>
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Other items:
- Default rate
- Terms to be negotiated
  - Anti-corruption laws and sanctions
  - Sovereign immunity

SUMMARY OF RESPONSES
- Landmark Towers vs. Marin (Developer)
- Colorado Appellate Court ruling late last week regarding developer run special district ability to authorize and issue debt
- After review Bond Counsel opinion that it doesn’t impact HRMD or this financing
### REVISED SCHEDULE

**MOVES CLOSING UP TO MAY 18**

<table>
<thead>
<tr>
<th>DATE</th>
<th>EVENT</th>
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</thead>
<tbody>
<tr>
<td>April 5</td>
<td>RFPs, Refunding Resolution, and draft Loan Agreement available</td>
</tr>
<tr>
<td>April 22</td>
<td>Proposals and Term Sheets due</td>
</tr>
<tr>
<td>April 26</td>
<td>Preferred Lender identified</td>
</tr>
<tr>
<td>April 26</td>
<td><strong>Regular Board Meeting:</strong> Loan Parameters Resolution Approved, including forms of other loan documents</td>
</tr>
<tr>
<td>May 5</td>
<td>All comments on final loan documents due</td>
</tr>
<tr>
<td>May 12</td>
<td>Tentative Date of Final Loan Pricing (subject to Lender's term sheet)</td>
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<tr>
<td>May 18</td>
<td>Closing of 2016 Loan</td>
</tr>
<tr>
<td>May 18</td>
<td>Districts Nos. 2 &amp; 3 Bonds fully defeased with net Loan proceeds plus District contribution of $520,488 (to offset interest accrual on HRMD District 2 Bonds)</td>
</tr>
<tr>
<td>May 18</td>
<td>Redemption Notices Delivered to owners of Districts Nos. 2 &amp; 3 Bonds</td>
</tr>
<tr>
<td>June 1</td>
<td>Escrow makes regular interest payment on HRMD No. 3 Bonds</td>
</tr>
<tr>
<td>June 15</td>
<td>Escrow makes regular principal and interest payment on HRMD No. 2 Bonds</td>
</tr>
<tr>
<td>June 20</td>
<td>Redemption date for Refunded Bonds</td>
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</tbody>
</table>
Assembled team
- First Southwest - Financial advisor
- Butler Snow – Bond counsel
- US Bank – escrow and paying agent
- Board approved appointment of team at January Continued Board Meeting (2/17/16)

Staff completed analysis of cash flow scenario’s
Discussion on proposed structures

- Refund Metro 2 ($21,920,000) and Metro 3 Series 2005 ($7,810,000)
- Do not refund Metro 4 Series 2005
  - Final scheduled payment 2016
- Concluded that bank loan most closely met the needs of the District
  - ability to call
  - lower closing costs
- Consideration of advance refunding of HRMD 2008 Bonds ($4,825,000) if rate is right
- If possible determine recommended lender by April 26.
- Approve Parameters Resolution April 26.
  - Maximum net effective rate 3.50%.
  - Maximum principal of the loan $35,000,000.
  - Term of the loan shall not extend beyond December 1, 2026.
  - Maximum annual repayment shall not exceed $5,000,000.
  - Add maximum default rate of 10%
- Approve general form of other loan documents
- Authorizes Director of Finance and Administration to proceed with necessary negotiations if within key parameters.

APRIL ACTIONS

RFP CLOSING DATE OF JUNE 3