

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CIMARRON METROPOLITAN DISTRICT HELD

May 22, 2019

A regular meeting of the Board of Directors (referred to hereafter as "Board") of the Cimarron Metropolitan District (referred to hereafter as "District") was convened on Wednesday, the 22nd day of May, 2019 at 9:00 A.M., at the Candelas Parkview Swim & Fitness Club, 19865 W. 94th Avenue, Arvada, Colorado 80007. The meeting was open to the public

ATTENDANCE

Directors In Attendance Were:

Brian Daly
Creig Veldhuizen
Brian Mulvany
Mark Mitchell
Patrick Vaughn

Also In Attendance Were:

David Nocera; Vauxmont Metropolitan District
Brooke Baughn; CCMC (via speakerphone)
Denise Hogenes; CCMC
Tori Minovich; CCMC
Megan Becher, Esq.; McGeady Becher, P.C.
Ross Wieser; District Accountant (via speakerphone, for a portion of the meeting)
Brandon Collins; Independent District Engineering Services, LLC
Dale Coffman and Matt Ward; Environmental Designs Inc.
Greg Sayles; Aqua Sierra
Marc T. Ragan; Piper Jaffray & Co. (for a portion of the meeting)

RECORD OF PROCEEDINGS

Various Members of the Public.

ADMINISTRATIVE MATTERS

Disclosure of Potential Conflicts of Interest:

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

Attorney Becher requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. Attorney Becher noted that conflict disclosure statements for all of the Directors have been filed, and that no additional conflicts were disclosed at the meeting.

Quorum, Location of Meeting, Posting of Meeting Notices:

Attorney Becher noted that a quorum was present. The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

The Board confirmed that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated time, date and location, which is within the same county as the District and is within 20 miles of the District. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

It was noted that the District Manager posted notice of the meeting at three locations within the boundaries of the District, and that McGeady Becher P.C. posted notice of the meeting with the Clerk & Recorder, at least 72 hours prior to the meeting, all pursuant to statute.

Agenda:

There was distributed for the Board's review and approval a proposed agenda for the District's regular meeting. Following discussion, upon

Motion duly made by Director Mulvany, seconded by Director Vaughn and, upon vote, unanimously carried, the agenda was

RECORD OF PROCEEDINGS

approved, as amended.

CONSENT AGENDA

Upon motion duly made by Director Veldhuizen, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved or ratified approval of (as appropriate), the Consent Agenda items, as follows:

- A. Approve minutes of April 2, 2019 Special Meeting.
- B. Ratify approval of IDES Verification of District Expenditures for February and March 2019.
- C. Ratify approval of IDES Recommendation for Facilities Acquisition/Reimbursement for February and March 2019.
- D. Ratify approval of Change Order No. 45 Wyoco Erosion Control – Filing 2-4 Erosion Control-January EC - \$8,854.00.
- E. Ratify approval of Change Order No. 46 Wyoco Erosion Control – Filing 2-4 Erosion Control-February EC – 11,044.00.
- F. Ratify approval of Change Order No. 13 Premier Earthworks – Filing 3B and 4C Utilities, Paving and Concrete – Hauling Xcel Piles; Regrade Lots and Trails; Meter Pit and Dome Repairs - \$34,736.44.

PUBLIC COMMENT

Director Daly opened the meeting to Public Comment. The Board received comments from members of the public who were present. The following individuals provided public comments: Messrs. Hanna, Voscola, Newcomer and Coffman. After comments were provided, Director Daly indicated the Board would produce a summary of responses to the various questions posed during public comment.

MAINTENANCE MATTERS

Landscape Report:

Representatives of Environmental Designs Inc. presented the landscaping report, reported on the status of routine maintenance, and updated the Board on project status. Mr. Sayles, of Aqua-Sierra, Inc., provided a report on the drainage ponds.

RECORD OF PROCEEDINGS

CAPITAL IMPROVEMENTS

Status of Candelas Project:

Mr. Collins reviewed the Project Status Report with the Board.

Change Order No. 47 Wyoco Erosion Control – Filing 2-4 Erosion Control March EC - \$10,785.22

The Board discussed Change Order No. 47 Wyoco Erosion Control – Filing 2-4 Erosion Control March EC - \$10,785.22.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote unanimously carried, the Board approved Change Order No. 46 Wyoco Erosion Control – Filing 2-4 Erosion Control March EC - \$10,785.22.

Change Order No. 48 Wyoco Erosion Control – Filing 2-4 Erosion Control April EC - \$10,685.85

The Board discussed Change Order No. 48 Wyoco Erosion Control – Filing 2-4 Erosion Control April EC - \$10,685.85.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote unanimously carried, the Board approved Change Order No. 48 Wyoco Erosion Control – Filing 2-3 Erosion Control April EC - \$10,685.85.

Change Order No. 11 Brightview Landscape – Filing 4B and 4C Landscape Irrigation Controllers Deduct - <-\$36,065.00

The Board discussed Change Order No. 11 Brightview Landscape – Filing 4B and 4C Landscape Irrigation Controllers Deduct - <-\$36,065.00.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, Upon vote unanimously carried, the Board approved Change Order No. 11 Brightview Landscape – Filing 4B and 4C Landscape Irrigation Controllers Deduct - <-\$36,065.00.

Acceptance of costs for construction of, and services related to, District improvements under the Verification of District

RECORD OF PROCEEDINGS

Expenditures Report prepared by Independent District Engineering Services, LLC (“IDES”) for reimbursement to Arvada Residential Partners, LLC (“ARP”), and consider release and/or transfer of non-District improvements to ARP pursuant to the Facilities Funding and Acquisition Agreement between the District and ARP, based upon the recommendation of IDES:

Mr. Collins reviewed IDES’ report entitled “Verification of District Expenditures for April and May 2019,” which summarizes IDES’ review and verification of the expenditures of the District for April and May 2019 related to certain District construction contracts, some of which included expenditures not eligible for payment by the District and so were paid directly by ARP pursuant to agreements between ARP and the District (“Verification Report”). The Verification Report identified \$549,284.42 of District Eligible Expenses and \$1,475.00 of Non-Eligible Expenses.

Following discussion, upon motion duly made by Director Daly, seconded by Director Vaughn and, upon vote, unanimously carried, the Board determined to accept the District Eligible Expenses in the amount of \$549,284.42 which will be credited to the Series 2015E Note, subject to the maximum par amount thereof, and approved the release of all interest in, and/or transfer to ARP of, all improvements associated with such Non-Eligible Expenses in an amount of \$1,475.00, based upon the recommendation of IDES.

Facilities Acquisition / Reimbursement Report:

It was noted that no report was prepared for April and May 2019, because the eligible amount was zero.

Piper Jaffray Presentation :

**FINANCIAL
MATTERS**

It was noted by the Board that Director Veldhuizen is employed by Piper Jaffray & Co., the District’s Financial Advisor, and that Director Veldhuizen will abstain from any discussion or vote relating to the District’s refinancing of debt.

Mr. Ragan of Piper Jaffray & Co. (“Piper Jaffray”) provided a presentation to the Board with recommendations relative to refinancing the outstanding debt of both Cimarron MD and Vauxmont MD.

RECORD OF PROCEEDINGS

Following extensive discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany, and, upon vote (with Director Veldhuizen abstaining), the Board directed Piper Jaffray to move forward with Requests for Proposals for the various consultants that will be required for the refinancing.

Claims:

Mr. Wieser reviewed with the Board the claims for the period ending May 21, 2019 (in the amount of \$455,480.34.

Following discussion, upon motion duly made by Director Daly, seconded by Director Vaughn, and upon vote unanimously carried, the Board approved the payment of claims for the period ending May 21, 2019.

Unaudited Financial Statements For the Period Ending April 30, 2019:

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Mulvany and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending April 30, 2019, subject to revisions discussed at the meeting.

Operations Budget Review:

Mr. Wieser reviewed the operating budget with the Board.

2018 Audit:

The Board discussed the status of the 2018 Audit.

OPERATIONAL MATTERS

Management Report: Ms. Baughn provided a Management Report to the Board.

Lifestyle Report: Ms. Minovich provided a Lifestyle Report to the Board.

Policies and Procedures Regarding Recreational Amenities:

The Board discussed the District's policies and procedures regarding recreational amenities, and considered the recommendation of Ms. Minovich to revise the Application and Agreement for Private Rental of Recreation Amenities to allow for

RECORD OF PROCEEDINGS

parties of up to 20 individuals, subject to certain restrictions.

Following discussion, upon a motion duly made by Director Daly, seconded by Director Mulvany, and upon vote unanimously carried, the Board authorized Ms. Minovich to revise the Application and Agreement accordingly, subject to review and approval by Director Veldhuizen.

Proposal for additional Alley Lot Fence Repairs from Certa Pro Painters, at the cost of \$2,106.88:

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the proposal for additional Alley Lot Fence Repairs from Certa Pro Painters, at the cost of \$2,106.88 and authorized the preparation of a Change Order.

Proposal for additional Alley Lot Fence Stain Purchase from Esquire Home Services, at the cost of \$1,050.00:

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the Proposal for additional Alley Lot Fence Stain Purchase from Esquire Home Services at a cost of \$1,050.00 (to include recycling fee), and authorized the preparation of a Change Order.

Proposal for Irrigation Repairs from Environmental Designs Inc., on Spare District Tracts at the cost of \$28,367.00, Alley Lots at the cost of \$1,565.00, Dog Water Station at the cost of \$1,164.00 and Construction Damage at the Cost of \$9,799.00:

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote, unanimously carried, the Board approved the proposal for Irrigation Repairs from Environmental Designs Inc., on District Tracts at the cost of \$28,367.00, Alley Lots at the cost of \$1,565.00, Dog Waste Station at the cost of \$1,164.00 and Construction Damage at the Cost of \$9,799.00, and authorized the preparation of Change Orders.

Proposals for Homeowner Add on Packages and Repairs from TF Living at no cost to the District:

Following discussion the Board deferred action indefinitely, as the proposals include services that are not appropriate for the District to provide.

RECORD OF PROCEEDINGS

LEGAL MATTERS

Financial Services Agreement by and between Cimarron Metropolitan District, Vauxmont Metropolitan District, and Piper Jaffray & Co.: Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany, and, upon vote (with Director Veldhuizen abstaining), the Board ratified approval of the Financial Services Agreement by and between the Cimarron Metropolitan District, Vauxmont Metropolitan District and Piper Jaffray & Co.

Covenant Control/Collection Issues:

The Board discussed the retention of special counsel to handle covenant control and collection issues. Following discussion, the Board authorized the retention of special counsel for these purposes and designated Director Veldhuizen to approve the selection.

OTHER BUSINESS

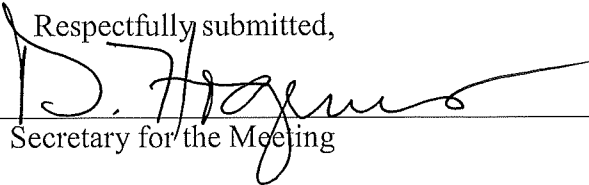
District Secretary:

Following discussion, the Board acknowledged the resignation of Brooke Baughn as District Secretary, and appointed Denise Hogenes as the new District Secretary.

None.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Mulvany, seconded by Director Veldhuizen and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,
By 
Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES APPROVED AS THE OFFICIAL
May 22, 2019 MINUTES OF THE CIMARRON METROPOLITAN
DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



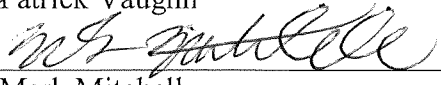
Brian Daly



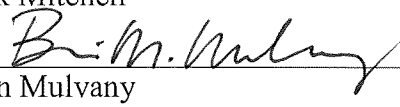
Craig Veldhuizen



Patrick Vaughn



Mark Mitchell



Brian Mulvany