

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CIMARRON METROPOLITAN DISTRICT HELD December 5, 2019

A special meeting of the Board of Directors (referred to hereafter as "Board") of the Cimarron Metropolitan District (referred to hereafter as "District") was convened on Thursday, the 5<sup>th</sup> day of December, 2019 at 9:00 a.m., at the Candelas Parkview Swim & Fitness Club, 19865 W. 94<sup>th</sup> 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:

Traci McDonald, Tori Minovich, and Denise Hogenes; CCMC

David Nocera; Vauxmont Metropolitan District

Megan Becher, Esq.; McGeady Becher P.C.

Ross Wieser; District Accountant (via speakerphone for a portion of the meeting)

Jonathan Heroux; Piper Jaffray & Co. (for a portion of the meeting)

Various Members of the Public

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### **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. Further, it was noted that Director Veldhuizen is employed by Piper Jaffray & Co. (which provides Financial Advisor services to the District), and that Director Veldhuizen will abstain from all discussion and votes relating to refinancing of the District's debt.

#### **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 on the District's website at least 24 hours prior to the meeting, pursuant to statute.

#### **Agenda:**

There was distributed for the Board's review and approval a proposed agenda for the District's special meeting. Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Mulvany and, upon vote, unanimously carried, the agenda was approved, as amended.

### **PUBLIC COMMENT**

There was no public comment.

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### LEGAL MATTERS

#### Resolution relating to Loan Agreement dated January 16, 2018 (the "Loan Agreement") between the District and Compass Mortgage Corporation:

Mr. Heroux reviewed the status of the Vauxmont Metropolitan District ("Vauxmont MD) bond issuance, including the structure discussions that have occurred since Vauxmont MD adopted the parameters resolutions at the November 18, 2019 board meeting. Extensive discussion ensued.

Director Veldhuizen again noted for the Board his conflicts of interest relating to the issuance of the Vauxmont MD Bonds, and abstained from all discussion and votes related thereto.

Attorney Becher informed that Board that Bond Counsel requires the District to adopt a supplemental resolution in connection with the Vauxmont MD bond issuance, relating to the District's existing Loan Agreement with Compass Mortgage Corporation.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, successfully carried (with Director Veldhuizen abstaining), the Board adopted a resolution to authorize the execution of certain documents relating to the defeasance and prepayment of the loan incurred by the District pursuant to that certain Loan Agreement dated January 16, 2018 between the District and Compass Mortgage Corporation.

### FINANCIAL MATTERS

#### Claims:

It was noted that the Board previously approved the payment of claims for the period ending October 31, 2019 at the November 20, 2019 board meeting.

#### Unaudited Financial Statements For the Period Ending September 30, 2019 and October 31, 2019:

Mr. Wieser reviewed with the Board the unaudited financial statements for the periods ending September 30, 2019 and October 31, 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 periods ending September 30, 2019 and October 31, 2019.

#### Operating budget review through October 31, 2019:

The Board deferred discussion.

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### FINANCIAL MATTERS (continued)

#### **2019 Budget Amendment Hearing:**

Director Daly opened the continued public hearing to consider a proposed amendment to the 2019 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider amendment of the 2019 Budget and the date, time and place of the public hearing on November 20, 2019 was made in a newspaper having general circulation within the District. No written objections were received at the public hearing on November 20, 2019 or at the continued public hearing on December 5, 2019. No members of the public present at the meeting provided comments, and the continued public hearing was then closed.

Mr. Wieser informed the Board that amendments to the 2019 Budget are required in the General Fund, Debt Service Fund, and Capital Projects Fund. Extensive discussion ensued.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-12-01, Resolution to Amend the 2019 Budget of Cimarron Metropolitan District. District Counsel was directed to make the appropriate statutory filings.

#### **2020 Budget Hearing:**

Director Daly opened the continued public hearing to consider the proposed 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2020 Budget and the date, time and place of the public hearing on November 20, 2019 was made in a newspaper having general circulation within the District. No written objections were received at the public hearing on November 20, 2019 or at the continued public hearing on December 5, 2019. No members of the public present at the meeting provided comments, and the continued public hearing was then closed.

Mr. Wieser reviewed with the Board the estimated 2019 expenditures and the proposed 2020 expenditures.

It was noted that the District would certify a zero mill levy for budget year 2020.

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### FINANCIAL MATTERS (continued)

Director Vaughn then moved (seconded by Director Mulvany) to adopt the 2020 Budget, and the Board considered adoption of Resolution No. 2019-12-02 to Adopt the 2020 Budget and Appropriate Sums of Money. Following discussion, and upon vote unanimously carried, the Board adopted the Resolution and authorized execution of the Certification of Budget. District Counsel was directed to transmit the Certification of Tax Levies to the Board of County Commissioners of Jefferson County not later than December 15, 2019. District Counsel was further directed to transmit the Certification of Budget to the Division of Local Government no later than January 30, 2020.

#### **Renewal of Revolving Line of Credit under February 12, 2019 Loan Agreement between the District and BBVA Compass (“Compass Loan”):**

The Board discussed the need to renew the revolving line of credit for District operations in 2020 under the Compass Loan.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board authorized the renewal of the revolving line of credit under the Compass Loan, and directed legal counsel to work with BBVA Compass to accomplish the renewal.

#### **Third Amendment to Amended and Restated Operation Funding Agreement:**

The Board discussed the need for a Third Amendment to the Amended and Restated Operation Funding Agreement (“Third Amendment”) between the District and Arvada Residential Partners, LLC (“ARP”), to acknowledge the obligation of ARP to guarantee advances/repayment under the Compass Loan.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the Third Amendment, subject to legal counsel review.

#### **Authorization of District Accountant to Prepare and Sign DLG-70 Certification of Tax Levies:**

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Certification of Tax Levies form (zero mill levy) for certification to the Board of County Commissioners and other interested parties.

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**FINANCIAL  
MATTERS  
(continued)**

**Appointment of District Accountant to Prepare 2021 Budget:**

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2021 Budget.

**Engagement of Auditor to Prepare 2019 Audit:**

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the engagement of Fiscal Focus Partners LLC to prepare the 2019 Audit, for an amount not to exceed \$6,500.00.

**ADJOURNMENT**

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

Respectfully submitted,

By   
Secretary for the Meeting

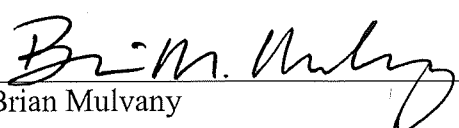
THESE MINUTES APPROVED AS THE OFFICIAL  
DECEMBER 5, 2019 MINUTES OF THE CIMARRON  
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS  
SIGNING BELOW:

  
\_\_\_\_\_  
Brian Daly

  
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Creig Veldhuizen

  
\_\_\_\_\_  
Patrick Vaughn

  
\_\_\_\_\_  
Mark Mitchell

  
\_\_\_\_\_  
Brian Mulvany