

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CIMARRON METROPOLITAN DISTRICT HELD April 2, 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 Wednesday, the 2nd day of April, 2019 at 1:00 P.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 (for a portion of the meeting)
Brian Mulvany
Mark Mitchell
Patrick Vaughn

Also In Attendance Were:

Brooke Baughn; 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. (for a portion of the meeting)

Steph Chichester and Nick Taylor; North Slope Capital Advisors (for a portion of the meeting)

P. Jonathan Heroux and Marc t. Ragan; 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, and that no additional conflicts were disclosed at the meeting. It was noted that Director Veldhuizen is now employed by Piper Jaffray & Co., one of the consultants that has provided a proposal to the District for Financial Advisor services. Director Veldhuizen informed the Board that he will abstain from any discussion or vote relating to the District's engagement of a Financial Advisor.

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:

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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 Vaughn, seconded by Director Daly and, upon vote, unanimously carried, the agenda was approved.

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 January 23, 2019 Special Meeting.
- B. Ratify approval of IDES Verification of District Expenditures for January 2019.
- C. Ratify approval of IDES Recommendation for Facilities Acquisition/Reimbursement for January 2019.
- D. Ratify approval of Change Order No. 44 Wyoco Erosion Control – Filing 2-4 Erosion Control– December EC - \$7,439.00.
- E. Ratify approval of Change Order No. 11 Premier Earthworks – Filing 4B and 4C Utilities, Paving, and Concrete– Mail Kiosk Concrete Pads, Concrete Repairs in 4A - \$17,967.70
- F. Ratify approval of Change Order No. 12 Premier Earthworks – Filing 4B and 4C Utilities, Paving, and Concrete– hauling and Moving Excess Dirt for Builder Turnover - \$51,457.24
- G. Ratify approval of Change Order No. 10 Brightview – Filing 3B & 4C Landscape – Road base for Soft Trails and Drip Irrigation for Open Space Trees - \$108,673.68
- H. Ratify approval of Service Agreement for Alley Lot Fence Stain and Repairs between the District and David Michael Nocera, d/b/a Esquire Home Services.

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: Jim Luke, Nick Taylor and Dean Schulze. The District Secretary then read aloud an email correspondence from Harvey Newman. After comments were provided, Director Daly indicated the Board would produce a summary of responses to the various questions posed during public comment.

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MAINTENANCE MATTERS

Landscape Report:

Representatives of Environmental Designs Inc. presented the landscaping report for 1st Quarter of 2019. Reported on the status of routine maintenance, and updated the Board on project status.

CAPITAL IMPROVEMENTS

Status of Candelas Project:

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

Change Order No. 45 Wyoco Erosion Control – Filing 2-4 Erosion Control– January EC - \$8,854.00:

The Board discussed Change Order No. 45 Wyoco Erosion Control – Filing 2-4 Erosion Control– January EC - \$8,854.00.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote unanimously carried, the Board approved Change Order No. 45 Wyoco Erosion Control – Filing 2-4 Erosion Control– January EC - \$8,854.00.

Change Order No. 46 Wyoco Erosion Control – Filing 2-4 Erosion Control– February EC - \$11,044.00:

The Board discussed Change Order No. 46 Wyoco Erosion Control – Filing 2-4 Erosion Control– February EC - \$11,044.00.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote unanimously carried, the Board approved Change Order No. 46 Wyoco Erosion Control – Filing 2-4 Erosion Control– February EC - \$11,044.00.

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:

The Board discussed 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

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote unanimously carried, the Board approved 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

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Repairs - \$34,736.44.

Acceptance of costs for construction of, and services related to, District improvements under the Verification of District 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 February and March 2019,” which summarizes IDES’ review and verification of the expenditures of the District for February and March 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 \$716,820.50 of District Eligible Expenses and \$47,470.41 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 \$716,820.50 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 \$47,470.41, based upon the recommendation of IDES.

Facilities Acquisition / Reimbursement Report:

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

Financial Advisor / Municipal Advisor:

Ms. Chichester and Mr. Taylor of North Slope Capital Advisors (“North Slope”) provided a presentation to the Board relating to the engagement of North Slope as the District’s Financial Advisor. Extensive discussion ensued, and Ms. Chichester and

**FINANCIAL
MATTERS**

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Mr. Taylor left the meeting at this point.

It was again noted by the Board that Director Veldhuizen is now employed by Piper Jaffray & Co., one of the consultants that has provided a proposal to the District for Financial Advisor services, and that Director Veldhuizen will abstain from any discussion or vote relating to the District's engagement of a Financial Advisor.

Mr. Heroux and Mr. Ragan of Piper Jaffray & Co. ("Piper Jaffray") provided a presentation to the Board relating to the engagement of Piper Jaffray as the District's Financial Advisor. Mr. Heroux noted again the Director Veldhuizen is now employed by Piper Jaffray. Director Veldhuizen did not participate in the presentation. Following the presentation, Mr. Heroux and Mr. Ragan left the meeting. Director Veldhuizen also left the meeting temporarily for the following discussion.

In Director Veldhuizen's absence, the Board held extensive discussions regarding the presentations by North Slope and Piper Jaffray, and Director Veldhuizen's potential conflicts of interest.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany, and, upon vote (with Director Veldhuizen abstaining/absent), the Board approved the engagement of Piper Jaffray as Financial Advisor to the District in connection with the potential restructuring and refunding of the District's debt.

It was noted that Director Veldhuizen will continue to recuse himself from matters relating to debt restructuring. Director Veldhuizen rejoined the meeting at this point.

Claims:

Mr. Wieser reviewed with the Board the claims for the periods ending February 28, 2019 (in the amount of \$773,453.04), and March 31, 2019 (in the amount of \$210,737.63).

Following discussion, upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the payment of claims for the periods ending February 28, 2019 (in the amount of \$773,453.04), and March 31, 2019 (in the amount of \$210,737.63).

Unaudited Financial Statements For the Period Ending December 31, 2018 and February 28, 2019:

Following discussion, upon motion duly made by Director

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Vaughn, seconded by Director Veldhuizen and, upon vote, unanimously carried, the Board approved the unaudited financial statements for the period ending December 31, 2018 and February 28, 2019, subject to revisions discussed at the meeting.

Conduct Public Hearing for 2018 Budget Amendment:

Director Daly opened the public hearing to consider amendment of the 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that Board would consider the amendment of the 2018 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing. No public comments were received and the public hearing was closed.

Following discussion, upon motion duly by Director Vaughn, seconded by Director Veldhuizen and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-01-04 to Amend the 2018 Budget.

Restructuring of District Debt:

Following discussion, upon motion duly by Director Daly, seconded by Director Vaughn and, upon vote, carried (with Director Veldhuizen abstaining), the Board authorized proceeding with actions to restructure the District's debt.

Revolving Line of Credit Draws in Between Board Meetings:

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board authorized Director Veldhuizen to approve line of credit draws in-between Board Meetings.

OPERATIONAL MATTERS

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

- A. The Board held discussion related to ARA Fees for existing exterior panel replacements.
- B. The Board held discussion related to holding Piano Funds.

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

Proposal for District Tract J Drainage from Environmental Designs:

Following discussion, the Board deferred action on this item. Instead, the Board directed staff to revise the District's rules and regulations to require owners to ensure any drainage from sump pumps or other sources is properly channeled into the public system. The Board further directed staff to develop regulations relating to the location and installation of radon mitigation systems.

Proposal for Candelas Parkway Reseed from Environmental Designs at the cost of \$5,787.63:

Following discussion the Board deferred action on this item until 2020.

Proposal for Sarah George Park French Drain from Environmental Designs Inc. at the Cost of \$14,611.93 for Southwest Direction and at the Cost of \$14,860.13 for Southeast Direction:

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote, unanimously carried, the Board approved the proposal for southwest direction drainage from Environmental Designs at the cost of \$14,611.93 and authorized preparation of a Change Order.

Proposal for District Fence Repair and Stain from CertaPro: Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the Proposal for District Fence Repair and Stain, in an amount not to exceed \$5,000.00.

Proposal for Shrub Replacement from Environmental Designs Inc. at Townview Clubhouse at the cost of \$1,479.26, Parkview Clubhouse at the cost of \$1,446.94, Monument Signs at the Cost of \$3,022.14 and Alley Lots at the Cost of \$5,000.75:

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon Vote, unanimously carried, the Board approved the proposal for Townview Clubhouse at the cost of \$1,479.26, Parkview

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Clubhouse at the cost of \$1,446.94, and Monument Signs at the Cost of \$3,022.14 and Alley Lots at the Cost of \$5,000.75.

Proposal for Mosquito Treatment from Orkin Commercial Services at the Cost of \$390 per Service:

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Daly and, upon vote, unanimously carried, the Board approved the Proposal for Mosquito Treatment from Orkin Commercial Services at the cost of \$390 per service, and authorized preparation of a Service Agreement.

Proposal for Townview Club Streaming and Wifi from TechniFi at the cost of \$2,836.12:

Following discussion, the Board deferred action until 2020.

Proposal for Townview Clubhouse Mechanical Crash Bar at the Cost of \$4,088.13 for Existing Brand PHI or Maglock at the cost of \$3,694.63 and Parkview Mechanical Crash Bar at the Cost of \$4,806.74 for Existing Brand SRG or Maglock at the cost of \$783.63 From Stanley Door:

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Veldhuizen and, upon vote, unanimously carried, the Board approved the Proposal for Townview Clubhouse Mechanical Crash Bar Maglock at the cost of \$3,694.63 and Parkview Mechanical Crash Bar Maglock at the cost of \$783.63 from Stanley Door and authorized preparation of a Service Agreement.

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

Following discussion the Board has deferred action.

Proposal for Exterior Light Inspections at Parkview Clubhouse at the cost of \$25 per month and at Townview Clubhouse at the cost of \$25 per month from All Reach Lighting and Electrical Contracting:

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the Proposal for Exterior Light Inspections at Parkview Clubhouse at the cost of \$25 per month and at Townview Clubhouse at the cost of \$25

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per month from All Reach Lighting and Electrical Contracting and authorized preparation of a Service Agreement.

Homeowner at 9382 Joyce Way request to add 4 Austrian Pines to the District Tract:

Following discussion upon motion duly made by Director Daly, seconded by Director Vaughn and, upon vote, unanimously carried, the Board approved the homeowner request to add 4 Austrian Pines to the District Tract, with the requirement that Environmental Designs Inc. Plants the trees with a minimum 1-year warranty at the homeowner's cost. The District will not be responsible for replacement of any of the trees. The District will be responsible for the cost of water from irrigation. The homeowner will be responsible for the cost to provide a drip line, installed by Environmental Designs Inc., if one is not present.

Homeowner at 9275 Dunraven Loop Requested to remove District Landscape Charges from the homeowners account that were assessed from damage to the District Tract from their landscapers:

Following discussion upon motion duly made by Director Veldhuizen, seconded by Director Mulvany and, upon vote, unanimously carried, the Board denied the request to remove the fees assessed to the homeowners account resulting from the damaged caused to the District Tract by the homeowner's landscape company.

LEGAL MATTER

None.

OTHER BUSINESS

None.

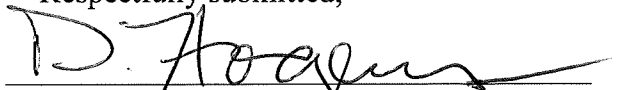
ADJOURNMENT

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.


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Respectfully submitted,

By


Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL
APRIL 2, 2019 MINUTES OF THE CIMARRON METROPOLITAN
DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Brian Daly



Craig Veldhuizen



Patrick Vaughn



Mark Mitchell



Brian Mulvany

