

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CIMARRON METROPOLITAN DISTRICT HELD January 23, 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 23rd day of January, 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

Following discussion, upon motion duly made by Director Mulvany, seconded by Director Daly and, upon vote, unanimously carried, the Board excused the absence of Director Vaughn.

Also In Attendance Were:

Denise Hogenes; CCMC

Brooke Baughn; CCMC

Tori Minovich; CCMC

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

Dave Nocera; Vauxmont Metropolitan District (for a portion of the meeting)

Brandon Collins; Independent District Engineering Services, LLC

Jon Greer, Arvada Fire Protection District (for a portion of the meeting)

RECORD OF PROCEEDINGS

Dale Coffman; Environmental Designs Inc. (for a portion of the meeting)

Matt Ward; Environmental Designs Inc. (for a portion of the meeting)

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.

RECORD OF PROCEEDINGS

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

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. Consider adoption of Resolution No. 2019-01-01, Designating Location for Posting of 24-Hour Notices (enclosed).
 - B. Approve minutes of December 12, 2018 Special Meeting (enclosed).
 - C. Ratify approval of IDES Verification of District Expenditures for December 2018.
 - D. Ratify approval of IDES Recommendation for Facilities Acquisition/Reimbursement for December 2018.
 - E. Ratify approval of Change Order No. 43 Wyoco Erosion Control – Filing 2-4 Erosion Control– November EC - \$17,553.38.
 - F. Ratify approval of Change Order No. 7 Alpine Construction – Candelas Concrete– El Diente and Culebra Widening Closeout - \$16,505.75
 - G. Ratify approval of Sol Lighting – Solar Lights– Purchase and Installation of Solar Light Replacement Batteries - \$8,697.00.
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PUBLIC COMMENT

Director Daly opened the meeting to Public Comment. The Board received comments from a member of the public who was present. Public comments were provided by the following individuals: Dale Mier and Elysabeth Ashe. The District Secretary then read aloud an email correspondence from Michael Madduff. After comments were provided, Director Daly indicated the Board would produce a summary of responses to the various questions posed during public comment.

RECORD OF PROCEEDINGS

LEGAL MATTERS

Jon Greer, from the Arvada Fire Protection District (“AFPD”) provide a presentation regarding the purchase of a model home by the AFPD and the establishment of a temporary substation. No action was taken by the Board.

MAINTENANCE MATTERS

Landscape Report:

Representatives of Environmental Designs Inc. presented the landscaping report for January 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. 44 Wyoco Erosion Control – Filing 2-4 Erosion Control– December EC - \$7,439.00:

The Board discussed Change Order No. 44 Wyoco Erosion Control – Filing 2-4 Erosion Control– December EC - \$7,439.00.

Following discussion, upon motion duly made by Director Daly, seconded by Director Mitchell and, upon vote unanimously carried, the Board approved Change Order No. 44 Wyoco Erosion Control – Filing 2-4 Erosion Control– November EC - \$17,553.38.

Change Order No. 11 Premier Earthworks – Filing 3B and 4C Utilities, Paving, and Concrete– Hauling and Moving - \$17,967.70:

The Board discussed Change Order No. 11 Premier Earthworks – Filing 3B and 4C Utilities, Paving, and Concrete– Mail Kiosk Concrete Pads, Concrete Repairs in 4A - \$17,967.70

Following discussion, upon motion duly made by Director Daly, seconded by Director Mitchell and, upon vote unanimously carried, the Board approved Change Order No. 11 Premier Earthworks – Filing 3B and 4C Utilities, Paving, and Concrete– Mail Kiosk Concrete Pads, Concrete Repairs in 4A - \$17,967.70

Change Order No. 12 Premier Earthworks – Filing 3B and 4C Utilities, Paving, and Concrete– Hauling and Moving Excess Dirt for Builder Turnover - \$51,457.24:

The Board discussed Change Order No. 12 Premier Earthworks – Filing 3B and 4C Utilities, Paving, and Concrete– Hauling and Moving Excess Dirt for Builder Turnover - \$51,457.24.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Daly, seconded by Director Mitchell and, upon vote unanimously carried, the Board approved Change Order No. 12 Premier Earthworks – Filing 3B and 4C Utilities, Paving, and Concrete– Hauling and Moving Excess Dirt for Builder Turnover - \$51,457.24.

Change Order No. 10 Brightview – Filing 4B/4C Landscape– Roadbase for Soft Trails and Drip Irrigation for open Space Trees - \$108,673.68:

The Board discussed Change Order No. 10 Brightview – Filing 4B/4C Landscape– Roadbase for Soft Trails and Drip Irrigation for open Space Trees - \$108,673.68.

Following discussion, upon motion duly made by Director Daly, seconded by Director Mitchell and, upon vote unanimously carried, the Board approved Change Order No. 10 Brightview – Filing 4B/4C Landscape– Roadbase for Soft Trails and Drip Irrigation for open Space Trees - \$108,673.68.

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 January 2019,” which summarizes IDES’ review and verification of the expenditures of the District for January 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 \$282,466.40 of District Eligible Expenses and \$680.00 of Non-Eligible Expenses.

Following discussion, upon motion duly made by Director Daly, seconded by Director Veldhuizen and, upon vote, unanimously carried, the Board determined to accept the District Eligible Expenses in the amount of \$282,466.40 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

RECORD OF PROCEEDINGS

associated with such Non-Eligible Expenses in an amount of \$680.00, based upon the recommendation of IDES.

FINANCIAL MATTERS

Claims:

Ms. Baughn reviewed with the Board the claims for the period ending January 23, 2019 totaling \$178,616.09.

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending January 23, 2019 in the amount of \$435,763.09. The Board deferred authorization of payment of \$25,000 reimbursement to the Developer until the revolving line of credit is in place.

Unaudited Financial Statements For the Period Ending December 31, 2018:

Deferred until March 2019 Board Meeting.

Restructuring of District Debt:

Discussion ensued regarding a potential debt restructuring. The District's underwriter had presented a proposal between board meetings for a potential restructuring of the District's debt. Lengthy discussion ensued regarding the timing and need for a debt restructuring at this time. The Board directed Directors Mulvany and Mitchell to continue to review the proposal.

Financial Advisor / Municipal Advisor:

Discussion ensued regarding the potential retention of a financial advisor to review the proposal received, along with any other proposals or potential structures for refinancing. Director Veldhuizen presented a proposal for Financial Advisor services which will be considered by the Board.

Budget Discussion related to Fund Balance; Transfer of Funds between Accounts.

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Mulvany and, upon vote, unanimously carried, the Board authorized the necessary transfer of funds between accounts.

RECORD OF PROCEEDINGS

OPERATIONAL MATTERS

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

The Board held discussion relating to Trash Can Visibility Requirements.

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

The Board held discussion related to the Facility Rental Rates for Resident and Non Residents.

Proposals for Mailbox Kiosk Enhancements from Environmental Designs Inc., Brightview Landscape Services and Metco Landscape Inc.:

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Mitchell and, upon vote, unanimously carried, the Board approved the Proposal for Mailbox Kiosk 3, 11 and 12 from Environmental Design Inc. at the total cost of \$6,492.09, and authorized preparation of a Change Order for Mailbox Kiosk Enhancements.

Proposal for Carp from Aqua Sierra at the cost of \$815.00:

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the Proposal for Carp from Aqua Sierra Inc., at the total cost of \$815.00, and authorized preparation of a Charge Order for Carp.

Proposal for District Tree Replacement from Environmental Design at the cost of \$10,226.04 for 16 trees:

Following Discussion the Board has deferred action.

Proposal for Candelas Parkway Reseeding from Environmental Designs Inc., at the cost of \$1,919.40:

Following discussion the Board has deferred action.

Proposal for Sarah George Park Baseball Field French Drain from Environmental Designs Inc. and Metco LLC:

Following Discussion the Board has deferred action.

RECORD OF PROCEEDINGS

Proposal for Alley Lot Fence Stain and Repairs from Esquire Home Services. at the cost of \$16,320.00 to Stain:

Following discussion, upon motion duly made by Director Daly, seconded by Director Veldhuizen and, upon vote, unanimously carried, the Board approved the Proposal for Alley Lot Fence Stain and Repairs from Esquire Home Services at the cost of \$16,320.00 to Stain, and authorized preparation of a Service Agreement for Alley Lot Fence Stain and Repairs.

LEGAL MATTERS CONTINUED...

Second Amendment to Amended and Restated Operation Funding Agreement:

Attorney Becher reviewed with the Board the Second Amendment to Amended and Restated Operation Funding Agreement between the District and Arvada Residential Partners, LLC.

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Daly and, upon vote, unanimously carried, the Board approved the Second Amendment to Amended and Restated Operation Funding Agreement between the District and Arvada Residential Partners, LLC, subject to counsel review.

Resolutions Relating to Loan Agreement:

Attorney Becher reviewed with the Board a Resolution authorizing the execution and delivery of a Loan Agreement in the principal amount of up to \$500,000 by and between Cimarron Metropolitan District and Compass Bank.

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Mulvany and, upon vote, unanimously carried, the Board adopted the Resolution authorizing the execution and delivery of a Loan Agreement in the principal amount of up to \$500,000 by and between Cimarron Metropolitan District and Compass Bank. Such resolution also authorizes the execution of all documents, instruments and certificates in connection therewith, ratifies prior actions, authorizes incidental actions, and repeals prior inconsistent actions.

Attorney Becher then reviewed with the Board Resolution No. 2019-01-02, Resolution of Cimarron Metropolitan District Regarding Appropriation for Loan Agreement.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Mulvany and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-01-02, Resolution of Cimarron Metropolitan District Regarding Appropriation for Loan Agreement.

Procedure for revolving line of credit draws between Board Meetings.

The Board deferred discussion.

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.

Respectfully submitted,

By


Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL
JANUARY 23, 2019 MINUTES OF THE CIMMARON
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS
SIGNING BELOW:



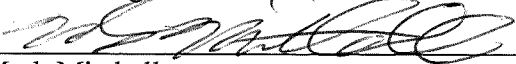
Brian Daly



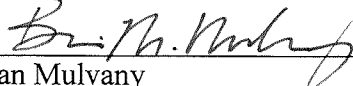
Craig Veldhuizen



Patrick Vaughn



Mark Mitchell



Brian Mulvany