

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CIMARRON METROPOLITAN DISTRICT
HELD
June 27, 2018**

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 23rd day of May, 2018 at 9:04 A.M., at the Candelas Parkview Swim & Fitness Club, 19865 W. 94th Ave., Arvada, Colorado, 80007. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Brian Daly
Creig Veldhuizen
Patrick Vaughn
Mark Mitchell
Brian Mulvany

Also In Attendance Were:

Denise Hogenes; CCMC

Chelsea Suchomel; CCMC

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

Brandon Collins; Independent District Engineering Services, LLC
(for a portion of the meeting)

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

Eric Barnes; Fiscal Focus Partners, LLC (for a portion of the meeting)

Kim Ellingson; Carousel Pools

Mike Hoefer; Environmental Design Inc.

Matthew Ward; Environmental Design Inc.

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Dale Coffman; Environmental Design Inc.

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

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

CONSENT AGENDA

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

- A. Ratify approval of IDES Verification of District Expenditures for May 2018.
 - B. Ratify approval of IDES Recommendations for Facilities Acquisition/Reimbursement for May 2018.
 - C. Ratify approval of Change Order No. 7 Filing 4B and 4C Landscape – Revised Mailbox Quantities per USPS - \$11,906.00.
 - D. Ratify approval of Change Order No. 36 Filing 2-4 Erosion Control – April Additional EC - \$46,088.93.
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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: Peter Larson, Sherman Marsh, Jane Myer, Bill O'Dell, Laura Cirvantes, Nancy Evans, John Reeds, Robert Stein and Kristin Larson. 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:

Environmental Design Inc. presented the landscaping report for June 2018.

Environmental Design Inc. reported on the status of routine maintenance and updated the Board on project status.

Pool Report:

Ms. Ellingson from Carousel Pools provided a report regarding pool and lifeguard operations.

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CAPITAL IMPROVEMENTS

Status of Candelas Project:

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

Change Order No. 37 to the Service Agreement between the District and Wyoco Erosion Control – Filing 2-4 Erosion Control CO #37 – May Additional EC - \$51,893.31:

The Board discussed Change Order No. 37 Filing 2-4 Erosion Control CO #37 – Ma Additional EC - \$51,893.31.

Following discussion, upon motion duly made by Director Daly, seconded by Director Veldhuizen and, upon vote unanimously carried, the Board approved Change Order No. 37 Filing 2-4 Erosion Control CO #37 – Ma Additional EC - \$51,893.31.

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 June 2018,” which summarizes IDES’ review and verification of the expenditures of the District for June 2018 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 1,159,638.12 of District Eligible Expenses and \$83,515.42 of Non-Eligible Expenses.

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Daly and, upon vote, unanimously carried, the Board determined to accept the District Eligible Expenses in the amount of \$1,159,638.12 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 \$83515.42, based upon the recommendation of IDES.

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Acceptance of District-eligible expenditures incurred by ARP under the recommendation for Facilities Acquisition/Reimbursement Report prepared by IDES:

The Board then reviewed IDES' report, entitled "Recommendation for Facilities Acquisition/Reimbursement for June 2018," which details the June 2018 expenditures of ARP which may be eligible for future reimbursement by the District pursuant to agreements between ARP and the District ("Acquisition/Reimbursement Report"). The June 2018 Acquisition/Reimbursement Report identified \$1,482.00 in expenditures of ARP eligible for reimbursement by the District pursuant to the Facilities Funding and Acquisition Agreement between the District and ARP.

Following discussion, upon motion duly made by Daly, seconded by Director Vaughn and, upon vote, unanimously carried, the Board determined to accept the reduction in costs identified in the June 2018 Acquisition/Reimbursement Report, which amount will be reimbursable under the Series 2015E Note.

FINANCIAL MATTERS

2017 Audit:

Mr. Barnes reviewed the draft 2017 Audit with the Board. Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the 2017 Audit and authorized execution of the Representations Letter. It was noted that approval of the audits was subject to Board approval of an amendment to the 2017 Budget at the July 25, 2018 Board meeting.

Claims:

Mr. Wieser reviewed with the Board the claims for the period ending June 27, 2018 totaling \$1,356,703.32.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Vaughn and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending June 27, 2018 in the amount of \$1,356,703.32.

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Unaudited Financial Statements For the Period May 31, 2018:

Mr. Wieser reviewed the unaudited financial statements for the period ending May 31, 2018 with the Board.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mitchell and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending May 31, 2018.

Qualified Residential Energy System Guidelines:

Megan Becher reviewed with the Board an update to the Residential Energy System guidelines.

LEGAL MATTERS

Discuss Parks IGA with City of Arvada:

Director Veldhuizen provided the Board with an update.

Discussion regarding Cell Towers:

Director Veldhuizen provided an update.

OPERATIONAL MATTERS

Management Report:

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

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

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OTHER BUSINESS **Environmental Design Inc. ("EDI") Tree Unwrapping and stake removal proposal - \$4,110.00:**

The Board discussed the proposal from EDI to unwrap trees and remove estimated 110 stakes - \$4,110.00.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Vaughn and, upon vote unanimously carried, the Board approved the proposal to unwrap trees and remove estimated 110 stake. - \$4,110.00 from EDI, and directed preparation of a Change Order.

EDI Perennials and Above Ground Irrigation - \$2,248.36:

The Board discussed the proposal from EDI to install perennials at the monument sign and to adjust the above-ground irrigation - \$2,248.36.

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Vaughn and, upon vote unanimously carried, the Board approved the proposal from EDI to install perennials at the monument sign and to adjust the above ground irrigation - \$2,248.36, and directed preparation a Change Order.

EDI Dead Tree Mapping:

The Board discussed the proposal from EDI to prepare a map of dead trees to include cost to replace and recommendation of EDI on replacement.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Veldhuizen and, upon vote unanimously carried, the Board approved the proposal from EDI to prepare a map of dead trees to include cost to replace and recommendation of EDI on replacement.

EDI Erosion Control:

The Board discussed the proposal from EDI to prepare a map of erosion control areas to include recommendation of EDI.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Vaughn and, upon vote unanimously carried, the Board approved the proposal from EDI to prepare a map of erosion control areas to include recommendation of EDI.

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Club and Fitness Cleaning Contracts:

The Board discussed the proposals for cleaning and janitorial services at Parkview and Townview.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Vaughn and, upon vote unanimously carried, the Board authorized the engagement of Helping Hands, and directed preparation of a Service Agreement.

HVAC Preventative Maintenance Contract:

The Board discussed the proposals for HVAC preventative maintenance at Parkview and Townview.

Following discussion, upon motion duly made by Director Daly, seconded by Director Vaughn and, upon vote unanimously carried, the Board approved the proposal to move forward with Long Building Technologies Inc. Contract.

Pool Gate and Fence Repairs:

The Board discussed the proposals for the Pool Gate and Fence repairs.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote unanimously carried, the Board authorized the engagement of Commercial Fence and Iron Works to repair the Pool Gate and Fence in an amount not to exceed \$3,972.00.

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 at 11:13am.

Respectfully submitted,

By: _____
Secretary for the Meeting

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THESE MINUTES APPROVED AS THE OFFICIAL
JUNE 27, 2018 MINUTES OF THE CIMARRON
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS
SIGNING BELOW:



Brian Daly

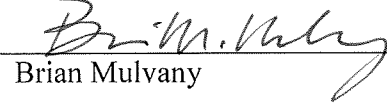


Craig Veldhuizen

Patrick Vaughn



Mark Mitchell



Brian Mulvany

