

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CIMARRON METROPOLITAN DISTRICT
HELD
October 24, 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 24th day of October, 2018 at 9:00 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
Brian Mulvany
Patrick Vaughn

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

Also In Attendance Were:

Brooke Baughn; CCMC

Tori Minovich; CCMC

Sarah McGrath, Esq.; McGeady Becher P.C.

Samantha Lilehoff, 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)

David Nocera; Vauxmont Metropolitan District

Matthew Ward; Environmental Designs Inc.

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Dale Coffman; Environmental Designs Inc.

Shawn Ryan; Environmental Designs 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 McGrath 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 McGrath 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.

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CONSENT AGENDA

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 Veldhuizen, seconded by Director Daly and, upon vote, unanimously carried, the agenda was approved, as amended.

It was noted that the January 11, 2018 special meeting minutes were not available and this item was removed from the Consent Agenda.

Upon motion duly made by Director Vaughn, 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. Approve minutes of September 26, 2018 Regular Meeting (enclosed).
- B. Ratify approval of IDES Verification of District Expenditures for September 2018.
- C. Ratify approval of Change Order No. 40 Wyoco Erosion Control – Filing 32-4 Erosion Control - \$20,878.00.
- D. Ratify approval of Change Order No. 8 Premier Earthworks – Filing 4B and 4C Utilities, Paving, and Concrete CO #8 – Miscellaneous CORs - \$113,605.04.
- E. Ratify approval of Change Order No. 39 to the Service Agreement between the.
- F. Ratify approval of proposal for the 2018 Staff Changes to include 2019 Staffing and Payroll Cost.
- G. Ratify approval of proposal for 2019 CSD Pool BMO WC Coverage from T. Charles Wilson Insurance Services in the amount of \$350.
- H. Ratify approval of proposal for Rock Bed on Corner of W.95th and 93rd Place in the amount of \$971.26.
- I. Ratify approval of proposal for Wind Screen Storage Container to include installation not to exceed \$1,000.00.
- J. Ratify approval of contracting out a vendor to investigate the electrical issue at both Parkview Club and Fitness and Townview Club and Fitness, not to exceed \$2,000.00.

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PUBLIC COMMENT

Director Daly opened the meeting to Public Comment. The Board did not receive comments from members of the public who were present.

MAINTENANCE MATTERS

Landscape Report:

Environmental Designs Inc. presented the landscaping report for October 2018. 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. 9 Premier Earthworks – Filing 4B and 4C Utilities, Paving, and Concrete CO #9 – Repair Meter Pit at Eldora Ct - \$1,282.68:

The Board discussed Change Order No. 9 Premier Earthworks – Filing 4B and 4C Utilities, Paving, and Concrete CO #9 – Repair Meter Pit at Eldora Ct - \$1,282.68.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote unanimously carried, the Board approved Change Order No. 9 Premier Earthworks – Filing 4B and 4C Utilities, Paving, and Concrete CO #9 – Repair Meter Pit at Eldora Ct - \$1,282.68.

Change Order No. 8 BrightView Landscape – Filing 4B and 4C Landscape CO #8 – Additional Neighborhood Monument - \$18,993:

The Board discussed Change Order No. 8 BrightView Landscape – Filing 4B and 4C Landscape CO #8 – Additional Neighborhood Monument - \$18,993.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote unanimously carried, the Board approved Change Order No. 8 BrightView Landscape – Filing 4B and 4C Landscape CO #8 – Additional Neighborhood Monument - \$18,993.

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Change Order No. 5 Split Rail Fence Company – Filing 2-4 Fencing CO #5 – Filing 4 Amendment 1 Fencing - \$278,355.00:

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Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote unanimously carried, the Board approved Change Order No. 5 Split Rail Fence Company – Filing 2-4 Fencing CO #5 – Filing 4 Amendment 1 Fencing - \$278,355.00.

Change Order No. 41 Wyoco Erosion Control – Filing 2-4 Erosion Control CO #5 – Filing 2-4 Erosion Control - \$17,866.50:

The Board discussed Change Order No. 41 Wyoco Erosion Control – Filing 2-4 Erosion Control CO #5 – Filing 2-4 Erosion Control - \$17,866.50.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote unanimously carried, the Board approved Change Order No. 41 Wyoco Erosion Control – Filing 2-4 Erosion Control CO #5 – Filing 2-4 Erosion Control - \$17,866.50.

Change Order No. 20 CTL/Thompson – 2018 site Development, Filing 4, Amendment 1 - \$127,935.00:

The Board discussed Change Order No. 20 CTL/Thompson – 2018 site Development, Filing 4, Amendment 1 - \$127,935.00

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote unanimously carried, the Board approved Change Order No. 20 CTL/Thompson – 2018 site Development, Filing 4, Amendment 1 - \$127,935.00.

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 October 2018,” which summarizes IDES’ review and verification of the expenditures of the District for October 2018 related to certain District construction contracts, some of which included

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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 \$411,100.89 of District Eligible Expenses and \$6,040.00 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 \$411,100.89 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 \$6,040.00, based upon the recommendation of IDES.

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 October 2018,” which details the October 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 October 2018 Acquisition/Reimbursement Report identified \$780.00 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 Mulvany and, upon vote, unanimously carried, the Board determined to accept the costs identified in the October 2018 Acquisition/Reimbursement Report, which amount will be reimbursable under the Series 2015E Note.

**FINANCIAL
MATTERS**

Claims:

Mr. Wieser reviewed with the Board the claims for the period ending October 24, 2018 totaling \$600,129.62.

Following discussion, upon motion duly made by Director Mulvany, seconded by Director Vaughn and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending October 24, 2018 in the amount of \$600,129.62.

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Unaudited Financial Statements For the Period September 30, 2018:

Mr. Wieser reviewed the unaudited financial statements for the period ending September 30, 2018 with the Board.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending September 30, 2018 noting that the format for the Alley Lots reflects amounts from the August 31, 2018 financial statement.

2019 Budget:

Mr. Wieser and Ms. Baughn reviewed and discussed the draft 2019 Budget with the Board.

BBVA Compass Revolving Line of Credit:

The board discussed a proposed Term Sheet form BBVA Compass regarding a one-year \$500,000 Revolving Line of Credit.

OPERATIONAL MATTERS

Management Report:

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

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

Appointment of Ron Pitcock, Brian Kannady and Jeb Benson to the Sustainability Committee.

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Daly and, upon vote unanimously carried, the Board appointed Ron Pitcock, Brian Kannady and Jeb Benson to the Sustainability Committee.

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Sustainability Committee Application.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Veldhuizen and, upon vote unanimously carried, the Board approved the Sustainability Committee Application form and related procedures.

Proposals for 2019 Pool Maintenance Services.

The Board reviewed various proposal for 2019 Pool Maintenance Services.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Veldhuizen and, upon vote unanimously carried, the Board approved the proposal for 2019 Pool Maintenance Services from Peak One for 4 day- per-week services for each of the two facilities (Townview and Parkview), at a cost \$6,760 per season for each facility. The Boar further directed the preparation of a Service Agreement with Peak One.

Proposal for Winter Watering from Environmental Designs Inc.

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Vaughn and, upon vote unanimously carried, the Board approved the Proposal for Winter Watering from Environmental Designs Inc., for two rounds of winter watering, at a cost of \$14,976 per round for District property, and \$2,496 per round for the Alley Lots.

Proposal for Spring Seasonal Flowers from Environmental Design Inc.

Deferred.

Proposals for 2019 Landscape Maintenance Services.

The Board reviewed various proposals for 2019 Landscape Maintenance Services.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote unanimously carried, the Board approved the Proposal for 2019 Landscape Maintenance and authorize preparation and execution of Service. Agreement Services from Environmental Design Inc., at a cost of \$306,862.75 for District property and \$22,597.50 for the Alley Lots.

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Service Agreement for Candelas Residential Waste Service and Recycling Collection between Cimarron MD and/or Vauxmont MD and Allied Waste Transportation, Inc. d/b/a Republic Services of Denver.

It was noted that the entity contracting for waste services should be Vauxmont MD. No action was taken by the board.

LEGAL MATTERS **Cellular Tower Lease Agreement:**

Director Veldhuizen provided an update on negotiations.

District Elections and Transition:

Future District elections and the transition overtime of the Vauxmont MD Board to residents.

OTHER BUSINESS There was no other business.

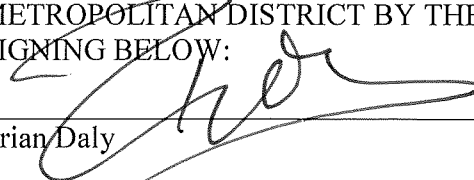
ADJOURNMENT

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

Respectfully submitted,

By:  _____
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL
OCTOBER 24, 2018 MINUTES OF THE CIMARRON
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS
SIGNING BELOW:

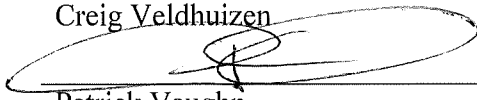


Brian Daly

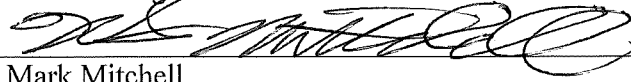
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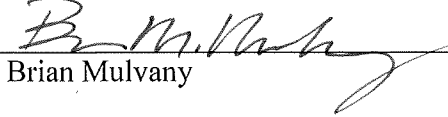
Craig Veldhuizen



Patrick Vaughn



Mark Mitchell



Brian Mulvany