

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CIMARRON METROPOLITAN DISTRICT
HELD
March 22, 2017**

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 22nd day of March, 2017 at 9:00 A.M., at the offices of GF Real Estate Group, 7337 W. Alaska Drive, #200, Lakewood, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Brian Daly
Brian Mulvany
Mark Mitchell

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

Also In Attendance Were:

Denise Hogenes; CCMC (via speakerphone)

Lisa Watts; CCMC

Chelsea Suchomel; CCMC (for a portion of the meeting)

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

David Nocera, Vauxmont Metropolitan District

Ross Wieser; GF Properties Group, LLC (via speakerphone for a portion of the meeting)

Guy Ford; Independent District Engineering Services, LLC (for a portion of the meeting)

Elesha Carbaugh-Gonzalez; Independent District Engineering Services, LLC (for a portion of the meeting)

RECORD OF PROCEEDINGS

ATTENDANCE (continued)

Mike Smyth; BrightView Landscape Services, Inc. (for a portion of the meeting)

PUBLIC COMMENT

None.

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 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 motion duly made by Director Daly, seconded by Director Mulvany

RECORD OF PROCEEDINGS

**ADMINISTRATIVE
MATTERS
(continued)**

and, upon vote, unanimously carried, the Agenda was approved, as amended.

**CONSENT
AGENDA**

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

- A. Approve Minutes of February 22, 2017 Regular Meeting.
- B. Ratify IDES Verification of District Expenditures for February 2017
- C. Ratify IDES Recommendations for Facilities Acquisition/Reimbursement for February 2017
- D. Ratify Change Order No. 21 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control – January for an increase in the contract amount of \$39,248.90
- E. Ratify Change Order No. 15 to the Contract Agreement between the District and Valley Crest Landscape – Filing 2-4A Landscape – Filing 4 Park for an increase in the contract amount of \$1,242,263.12.
- F. Ratify Change Order No. 16 to the Contract Agreement between the District and Valley Crest Landscape – Filing 2-4A Landscape – Filing 2 Dog Park for an increase in the contract amount of \$46,884.08.
- G. Ratify Change Order No. 12 to the Contract Agreement between the District and Martin Marietta Materials – Filing 2 Paving – Filing 1 and 2 Street Repairs for Arvada Acceptance for an increase in the contract amount of \$23,746.00.
- H. Ratify Change Order No. 1 to the Service Agreement for Pool Maintenance Services between the District and Peak One Pool & Spa, LLC, for an extension of the contract term to December 31, 2017.
- I. Ratify Change Order No. 1 to the Service Agreement for Pool Repair Services between the District and Advanced Pools & Spas, Inc., for additional repair services, for an increase in the contract amount of \$57,600.00.
- J. Ratify Change Order No. 2 to the Service Agreement for Pool Repair Services between the District and Advanced Pools & Spas, Inc., for additional repair

RECORD OF PROCEEDINGS

CONSENT AGENDA (continued)

- services for an increase in the contract amount of \$4,470.00.
- K. Ratify approval and execution of Candelas Filing No. 1, Amendment No. 3 (replat of Lots 1-7 Block 41D of Candelas Filing No. 1).
 - L. Ratify Service Agreement for Standard Intrusion System Monitoring between the District and LINX Multimedia, LLLP (enclosure).

MAINTENANCE MATTERS

Landscape Report:

- A. Mr. Smyth, Brightview Landscape, presented the landscaping report for March 2017.

Mr. Smyth reported on the status of winter maintenance and the upcoming plans for spring start up. All perennials and ornamental grasses were cut back. Soft path repairs per contract are in progress. Winter turf irrigation watering is in progress due to the dry winter. Sprinkler repairs are underway with Brightview replacing snow removal damaged heads per contract. Above ground temporary irrigation repairs will be assessed this month. Inspections of all material to determine replacement needs will be initiated. An enhancement proposal is pending.

- B. **Change Order No. 8 to the Service Agreement for Landscape Maintenance between the District and Brightview Landscape Services, Inc., for irrigation mainline repair, for an increase in the contract amount of \$2,900.00.**

Following discussion; upon motion duly made by Director Mitchell, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved Change Order No. 8 to the Service Agreement between the District and Brightview Landscape Services, Inc., for irrigation mainline repair, for an increase in the contract amount of \$2,900.00

CAPITAL IMPROVEMENTS

Status of Candelas Project:

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

Change Order No. 22 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control – February:

RECORD OF PROCEEDINGS

CAPITAL IMPROVEMENTS (continued)

The Board discussed Change Order No. 22 to the Service Agreement between the District and WYOCO Erosion Control – Filing -4 Erosion Control – Additional Erosion Control – February.

Following discussion; upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved Change Order No. 22 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control – February for an increase in the contract amount of \$20,479.06.

Change Order No. 36 to the Service Agreement between the District and Premier Earthworks - Filing 2 Utilities – Filing 1 Repairs for Arvada Acceptance:

The Board discussed Change Order No. 36 to the Service Agreement between the District and Premier Earthworks – Filing 2 Utilities – Filing 1 Repairs for Arvada Acceptance.

Following discussion; upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote unanimously carried, the Board approved Change Order No. 36 to the Service Agreement between the District and Premier Earthworks – Filing 2 Utilities – Filing 1 Repairs for Arvada Acceptance for an increase in the contract amount of \$12,728.00.

Work Order No. 3 to the Service Agreement between the District and Precise Striping – Signage and Striping Repairs:

The Board discussed Change Order No. 3 to the Service Agreement between the District and Precise Striping – Signage and Striping Repairs.

Following discussion; upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote unanimously carried, the Board approved Work Order No. 3 to the Service Agreement between the District and Precise Striping – Signage and Striping Repairs for an increase in the contract amount of \$15,000.00

FINANCIAL MATTERS

Claims:

Mr. Weiser reviewed with the Board the claims for the period ending March 22, 2017 totaling \$407,004.87.

Following discussion, upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote, unanimously carried,

RECORD OF PROCEEDINGS

FINANCIAL MATTERS (continued)

the Board approved the payment of claims for the period ending March 22, 2017 in the amount of \$407,004.87.

Unaudited Financial Statements For the Period Ending February 28, 2017:

Mr. Weiser reviewed the unaudited financial statements for the period ending February 28, 2017 with the Board.

Following discussion, upon motion duly made by Director Daly, seconded by Director Mulvany and , upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending February 28, 2017, as presented.

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 March 2017," which summarizes IDES' review and verification of the expenditures of the District for March 2017 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 \$403,102.37 of District Eligible Expenses and \$3,902.50 of Non-Eligible Expenses.

Following discussion, upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote, unanimously carried, the Board determined to accept the District Eligible Expenses in the amount of \$403,102.37, which will be reimbursed from the District's Limited Tax Revenue Bonds, Series 2012, 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 \$3,902.50, 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 March 2017," which details the March 2017 expenditures of ARP which may be eligible for future

RECORD OF PROCEEDINGS

FINANCIAL MATTERS (continued)

reimbursement by the District pursuant to agreements between ARP and the District (“Acquisition/Reimbursement Report”). The March 2017 Acquisition/Reimbursement Report identified \$333,021.39 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 Director Daly seconded by Director Mulvany and, upon vote, unanimously carried, the Board determined to accept the costs identified in the March 2017 Acquisition/Reimbursement Report, which amount will be reimbursable under the Series 2015E Note.

OPERATIONAL MATTERS

Management Report:

Lifestyle Report: Ms. Suchomel provided the lifestyle report to the Board. Ms. Suchomel reviewed the status of discussion relative to the use of district facilities by a local swim team. Discussion ensued regarding the public nature of the facilities and the necessity to retain reasonable accessibility for the general public. The Board further discussed the financial considerations. The Board directed Ms. Suchomel to review those additional matters with the swim team proponents.

Management Report: Ms. Watts provided a report on operations and maintenance matters for the District.

Operational Discussion:

Facility Reservation Rates for 2017:

Ms. Watts discussed with the Board the proposed facility rental rate structure for 2017.

Following discussion, upon motion duly made by Director Mitchell seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the Facility Reservation Rates for 2017.

EXECUTIVE SESSION

The Board advised those present it would need to convene in Executive Session to receive legal advice on specific legal questions regarding the Second Amended Policies and Procedures Governing the Recreation Amenities of Cimarron Metropolitan District.

RECORD OF PROCEEDINGS

Pursuant to Section 24-6-402(4), C.R.S., upon motion duly made by Director Daly, seconded by Director Mitchell, and upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in Executive Session at 12:50 p.m. for the purpose of receiving from the Board's attorneys legal advice regarding the Second Amended Policies and Procedures Governing the Recreation Amenities of Cimarron Metropolitan District.

Furthermore, pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of those portions of the Executive Session that, in the opinion of the Board's attorney(s), constitute privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in public session at 1:30 p.m.

LEGAL MATTERS

Second Amended Policies and Procedures Governing the Recreation Amenities of Cimarron Metropolitan District:

Attorney Becher presented Second Amended Policies and Procedures Governing the Recreation Amenities of Cimarron Metropolitan District. No action was taken by the Board.

Resolution No. 2017-03-01, Resolution Adopting Second Amended Policies and Procedures Governing the Recreation Amenities of Cimarron Metropolitan District.

No action was taken by the Board.

Lifeguard Services:

Following discussion, the Board directed Ms. Watts to obtain proposals for lifeguard services.

OTHER BUSINESS

None.

ADJOURNMENT

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

Respectfully submitted,

By: _____

Secretary for the Meeting




RECORD OF PROCEEDINGS

THESE MINUTES APPROVED AS THE OFFICIAL
MARCH 22, 2017 MINUTES OF THE CIMARRON
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS
SIGNING BELOW:



Brian Daly



Craig Veldhuizen



Patrick Vaughn



Mark Mitchell

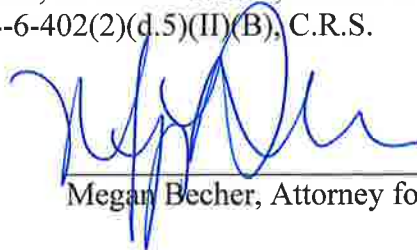


Brian Mulvany

RECORD OF PROCEEDINGS

**ATTORNEY STATEMENT
REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION**

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Cimarron Metropolitan District (the "District"), I attended the executive session meeting of the District convened on March 22, 2017 at 12:50 p.m., for the sole purpose of receiving legal advice on specific legal questions regarding Second Amended Policies and Procedures Governing the Recreation Amenities of the Cimarron Metropolitan District, as authorized by Section 24-6-402(4)(b), C.R.S. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.



Megan Becher, Attorney for the District

Date: March 22, 2017