

## RECORD OF PROCEEDINGS

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**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
CIMARRON METROPOLITAN DISTRICT  
HELD  
February 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 January, 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  
Creig Veldhuizen  
Mark Mitchell  
Patrick Vaughn

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

#### **Also In Attendance Were:**

Denise Hogenes; CCMC

Lisa Watts; CCMC

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

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

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

Guy Ford; Independent District Engineering Services, LLC

Brandon Collins; Independent District Engineering Services, LLC

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

Laura Stevens; GF Properties Group, LLC (for a portion of the meeting)

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**PUBLIC  
COMMENT**

None.

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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.

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

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### CONSENT AGENDA

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

- A. Approve minutes of December 14, 2016 Regular Meeting.
- B. Approve minutes of January 25, 2017 Regular Meeting
- C. IDES Verification of District Expenditures for January 2017
- D. Ratify IDES Recommendations for Facilities Acquisition/Reimbursement for January 2017
- E. Ratify Change Order No. 20 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control – December for an increase in the contract amount of \$20,022.00
- F. Ratify award of contract for Candelas Filing 4B and 4C utilities, concrete and asphalt to PEI, for an amount not to exceed \$7,464,106.
- G. Ratify approval of proposal from BrightView Landscape Development, Inc. for landscape, irrigation, and site work for Candelas Filing 4 Park/Tennis Court Project, for an amount not to exceed \$1,242,263.72.

### MAINTENANCE MATTERS

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#### Landscape Report:

Mr. Smyth, Brightview Landscape, presented the landscaping report for February 2017.

Mr. Smyth reported on the status of winter maintenance and the upcoming plans for spring start up.

Mr. Smyth reviewed year-to-date snow removal invoicing with the Board. Extensive discussion ensued regarding the breakdown and validity of hours in relation to the alley lot snow removal. Mr. Smyth offered a \$2,500 courtesy credit to the account to address the concerns of the Board.

### CAPITAL IMPROVEMENTS

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#### Community Garden Project:

Ms. Stevens reviewed the administrative status of the proposed community garden with the Board.

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### CAPITAL IMPROVEMENTS (continued)

Mr. Ford reviewed the construction status of the proposed community garden with the Board.

### EXECUTIVE SESSION

The Board advised those present it would need to convene in Executive Session to receive legal advice, on specific legal questions regarding implementing a community garden.

Pursuant to Section 24-6-402(4), C.R.S., upon motion duly made by Director Vaughn, seconded by Director Daly, and upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in Executive Session at 10:42 a.m. for the purpose of receiving from the Board's attorneys legal advice on specific legal questions regarding implementing a community garden.

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 11:16 a.m.

The Board directed Ms. Stevens to continue the pursuit of a partnership with Denver Urban Gardens, ("DUG"), for collaboration in the organization and leadership of the community garden project.

The Board directed Mr. Ford to continue with the construction of the community garden as-is with no alteration.

### Status of Candelas Project:

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

### Change Order No. 21; to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control – January:

The Board discussed Change Order No. 21 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control – January.

Following discussion; upon motion duly made by Director Daly, seconded by Director Vaughn and, upon vote, unanimously carried, the Board approved Change Order No. 21 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion

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### CAPITAL IMPROVEMENTS (continued)

Control – Additional Erosion Control – January for an increase in the contract amount of \$39,248.90.

#### Change Order No. 15 to the Contract Agreement between the District and Valley Crest Landscape – Filing 2-4A Landscape - Filing 4 Park:

The Board discussed Change Order No. 15 to the Contract Agreement between the District and Valley Crest Landscape – Filing 2-4A Landscape – Filing 4 Park.

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

#### Change Order No. 16 to the Contract Agreement between the District and Valley Crest Landscape – Filing 2-4A Landscape – Filing 2 Dog Park:

The Board discussed Change Order No. 16 to the Contract Agreement between the District and Valley Crest Landscape – Filing 2-4A Landscape – Filing 2 Dog Park.

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

#### 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:

The Board discussed 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.

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

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### FINANCIAL MATTERS

Mr. Wieser reviewed with the Board the claims for the period ending February 22, 2017 totaling \$357,790.30.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending February 22, 2017, in the amount of \$357,790.30.

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

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

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Veldhuizen 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 February 2017," which summarizes IDES' review and verification of the expenditures of the District for February 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 \$357,790.30 of District Eligible Expenses and \$0.00 of Non-Eligible Expenses.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Vaughn and, upon vote, unanimously carried, the Board determined to accept the District Eligible Expenses in the amount of \$357,790.30, 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 \$0.00, based upon the recommendation of IDES.

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### FINANCIAL MATTERS (continued)

#### 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 February 2017," which details the February 2017 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 February 2017 Acquisition/Reimbursement Report identified \$329,688.35 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 Mitchell seconded by Director Vaughn and, upon vote, unanimously carried, the Board determined to accept the costs identified in the February 2017 Acquisition/Reimbursement Report, which amount will be reimbursable under the Series 2015E Note.

#### Discussion of 2017 Residential Assessment Rate ("RAR"):

The Board discussed the potential impact of the decrease of the RAR from 7.96% to 6.56%. The Board directed management to begin preparing for an educational outreach relative to this statutory change.

### OPERATIONAL MATTERS

#### Management Report:

Lifestyle Report: Ms. Suchomel provided the lifestyle report to the Board.

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

#### Operational Discussion:

Statement of Work Order No. 2 to the GeoLens Master Services Agreement between the District and GeoLens to add snow removal ownership layer to District software:

Ms. Watts discussed with the Board the cost and value of adding the additional ownership layer for snow removal. Following discussion; the Board deferred action pending further completion of tract data.

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### OPERATIONAL MATTERS (continued)

#### Approval of Facility Reservation Rates for 2017:

Ms. Watts presented to the Board proposed rates for review and discussion. Extensive discussion ensued regarding rate structure and potential packages for rental. Following discussion, the Board instructed Ms. Watts to re-draft the rate schedule for presentation at the March 2017 meeting.

#### OOMA Office proposal for purchase of VOIP phones and service at Townview and Parkview Swim and Fitness Facilities:

Ms. Watts presented the proposal to the Board. Following discussion, upon motion duly made by Director Vaughn, seconded by Director Veldhuizen and, upon vote, unanimously carried, the Board approved the proposal.

#### Service Agreement for Standard Intrusion System Monitoring between the District and LINX Multimedia, LLLP ("LINX Service Agreement"):

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Veldhuizen and, upon vote, unanimously carried, the Board approved the LINX Service Agreement.

#### Termination of Service Agreement for Security Monitoring Services between the District and Security Central, Inc. ("Service Agreement"):

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Veldhuizen and, upon vote, unanimously carried, the Board approved the termination of the Service Agreement, and directed that notice of the termination be provided to Security Central, Inc.

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### LEGAL MATTERS

#### Approval of Quitclaim Deed from the District to the City of Arvada, conveying the following parcels: Tract E, Block 6, Candelas Filing No. 3; Tract H, Block 8, Candelas Filing No. 4; Tract QQ, Block 27, Tracts UU and VV, Block 31, and Track LL, Block 37, Candelas Filing No. 1:

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

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### OTHER BUSINESS

None.

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ADJOURNMENT

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

Respectfully submitted,

By: \_\_\_\_\_

  
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL  
FEBRUARY 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

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### **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 February 22, 2017 at 10:22 a.m., for the sole purpose of receiving legal advice on specific legal questions regarding implementing a community garden, 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.

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Megan Becher, Attorney for the District

Date: February 22, 2017