

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CIMARRON METROPOLITAN DISTRICT HELD JANUARY 25, 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 25th 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  
Brian Mulvany  
Patrick Vaughn

##### Also In Attendance Were:

Denise Hogenes, CCMC (via speakerphone)

Lisa Watts, CCMC

Chelsea Suchomel, CCMC

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

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

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

David Nocera, Vauxmont Metropolitan District

Mike Smyth, Brightview Landscape, (for a portion of the meeting)

#### PUBLIC COMMENT

David Nocera reviewed with the Board his concerns regarding the cost of snow removal for the alley lots, the operations deficit of the District, and the costs for employing lifeguards.

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

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### CONSENT AGENDA

Following discussion, the Board determined to defer consideration of the following items, as drafts of the minutes were not available for review:

- C. Approve minutes of December 14, 2016 Regular Meeting

The Board then, upon motion duly made by Director Vaughn, seconded by Director Daley and, upon vote, unanimously carried, approved or ratified approval of (as appropriate), the remaining Consent Agenda items, as follows:

- A. Minutes of October 26, 2016 Regular Meeting
- B. Minutes of November 16, 2016 Regular Meeting
- D. IDES Verification of District Expenditures for December 2016
- E. IDES Recommendations for Facilities Acquisition/Reimbursement for December 2016
- F. Change Order No. 19 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control, Additional Erosion Control - November for an increase in the contract amount of \$39,010.00
- G. Adopt Resolution No. 2017-01-01, Resolution Designating Location for Posting of 24 Hour Notices.

### CAPITAL IMPROVEMENTS

#### Status of Candelas Project:

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

#### Change Order No. 20 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control - December:

The Board discussed Change Order No. 20 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control - December.

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 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.

#### Award of Contract for Candelas Filing 4B and 4C Utilities, Concrete and Asphalt:

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### CAPITAL IMPROVEMENTS (continued)

Mr. Collins reviewed the bid summary with the Board, noting that PEI was the low bidder at \$7,464,106. Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote, unanimously carried, the Board approved the award of the contract for Candelas Filing 4B and 4C Utilities, Concrete and Asphalt to PEI, for an amount not to exceed \$7,464,106.

#### BrightView Landscape Development, Inc. Proposal for Landscape, Irrigation, and Site Work for Candelas Filing 4 Park/Tennis Court Project:

Mr. Collins reviewed the proposal with the Board. Following discussion, upon motion duly made by Director Daly, seconded by Director Vaughn and, upon vote, unanimously carried, the Board approved the proposal for an amount not to exceed \$1,242,263.12, subject to negotiation by IDES of value engineering items.

### FINANCIAL MATTERS

#### Claims:

Mr. Wieser reviewed with the Board the claims for the period ending January 25, 2017 totaling \$635,629.57.

Following discussion, upon motion duly made by Director Daly, seconded by Director Vaughn and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending January 25, 2017 in the amount of \$635,629.57.

#### Unaudited Financial Statements For the Period Ending November 30, 2016:

Mr. Wieser reviewed the unaudited financial statements for the period ending November 30, 2016 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 November 30, 2016, as presented.

#### Unaudited Financial Statements For the Period Ending December 31, 2016:

Mr. Wieser reviewed the unaudited financial statements for the period ending December 31, 2016 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 December 31, 2016, as presented.

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### FINANCIAL MATTERS (continued)

**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 2017," which summarizes IDES' review and verification of the expenditures of the District for January 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 \$479,295.94 of District Eligible Expenses and \$2,005.51 of Non-Eligible Expenses.

Following discussion, upon motion duly made by Director Daly, seconded by Director Mitchell and, upon vote, unanimously carried, the Board determined to accept the District Eligible Expenses in the revised amount of \$479,295.94, 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 the amount of \$2,005.51 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 January 2017," which details the January 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 January 2017 Acquisition/Reimbursement Report identified \$653,304.62 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 January 2017 Acquisition/Reimbursement Report, which amount will be reimbursable under the Series 2015E Note.

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### LEGAL MATTERS    Acceptance/Conveyance of Park Tracts:

It was noted that, subsequent to the December 14, 2016 meeting, the Board determined that the park tracts authorized for acceptance by the District at that meeting had already been conveyed to and accepted by the District. It was further noted that the City of Arvada has requested that the tracts be conveyed by the District to the City. Following discussion, the Board directed District Counsel to work with the City to effectuate the conveyance of the tracts.

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### OPERATIONAL MATTERS

#### Management Report

1. *2017 Action Plan*

Ms. Watts and Ms. Suchomel presented the 2017 Action Plan.

- A. 2016 Highlights and Accomplishments
- B. 2017 Management Goals
- C. 2017 Lifestyle Goals
- D. 2017 Financial Goals
- E. 2017 Partner Goals

2. *Landscape Report*

Mr. Smyth, Brightview Landscape presented the report for January 2017. Discussion ensued regarding the snow removal invoice charges to date. Mr. Smyth and Ms. Watts will analyze and re-evaluate the charges per invoice.


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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 Mulvany and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By

  
Secretary for the Meeting

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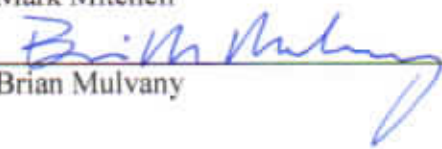
THESE MINUTES APPROVED AS THE OFFICIAL  
JANUARY 25, 2017 MINUTES OF THE CIMARRON  
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS  
SIGNING BELOW:

  
\_\_\_\_\_  
Brian Daly

  
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Creig Veldhuizen

  
\_\_\_\_\_  
Patrick Vaughn

  
\_\_\_\_\_  
Mark Mitchell

  
\_\_\_\_\_  
Brian Mulvany