

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CIMARRON METROPOLITAN DISTRICT HELD SEPTEMBER 27, 2017

A special 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 27th day of September, 2017 at 9:00 A.M., at the Candelas Parkview Swim & Fitness Club, Arvada, Colorado, 80007. The meeting was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

Brian Daly  
Creig Veldhuizen  
Mark Mitchell  
Brian Mulvany

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

##### Also In Attendance Were:

Lisa Watts; CCMC

Chelsea Suchomel; CCMC

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

David Nocera, Vauxmont Metropolitan District

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

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

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

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

Sam Sharp; D.A. Davidson & Co (for a portion of the meeting)

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### ATTENDANCE (continued)

Ken Guckenberger; Kutak Rock LLP (for a portion of the meeting)  
Various members of the public, as listed on Attachment A

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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 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 special meeting. Following discussion, upon motion duly made by Director Mulvany, seconded by Director Veldhuizen and, upon vote, unanimously carried, the agenda was approved.

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### CONSENT AGENDA

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

- A. Approve minutes of July 26, 2017 Special Meeting.
- B. Approve minutes of August 30, 2017 Special Meeting, as amended.
- C. Ratify IDES Verification of District Expenditures for August 2017.
- D. Ratify IDES Recommendations for Facilities Acquisition/Reimbursement for August 2017.
- E. Ratify Change Order No. 2 to the Service Agreement for Pool Maintenance Services between the District and Peak One Pool & Spa, LLC for replacement of pool heater circulating pump in the Candelas Swim & Fitness Club at Townview, for an increase in the contract amount of \$1,453.87.
- F. Ratify Change Order No. 15, (as amended), to the Service Agreement between the District and Brightview Landscape Services, Inc., for Cimarron Park and Townview Swim and Fitness Center tree replacements, for an increase in the contract amount of \$9,961.28.
- G. Ratify Change Order No. 40 to the Contract Agreement between the District and Premier Earthworks – Filing 2 Utilities – F4B Sanitary Sewer and stockpiled materials, F4A Park Trench Drain for an increase in the contract amount of \$106,632.45
- H. Ratify Change Order No. 19 to the Contract Agreement between the District and Brightview Landscape Services, Inc., - Filing 2 and 4A Landscape – F4 Concrete Flatwork for an increase in the contract amount of \$17,243.00.
- I. Ratify Change Order No. 27 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control, July for an increase in the contract amount of \$11,706.00.

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### PUBLIC COMMENT

Director Daly opened the meeting to Public Comment. The Board received comments from several of the members of the public who were present. Public comments were provided by the following individuals: Joy Jolin, Kiko Jeantette, Nancy Varney and Lara

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### PUBLIC COMMENT (continued)

Cervantes. After comments were provided Director Daly indicated the Board would produce a summary of responses to the various questions posed during public comment.

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### FINANCIAL MATTERS (PART ONE)

#### D.A. Davidson & Co. Presentation regarding proposed 2017 Cimarron MD/Vauxmont MD bond refunding/loan:

Mr. Sharp and Attorney Guckenberger reviewed the details of the proposed refinancing, including term sheets from U.S. Bank and BBVA Compass.

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Mulvany and, upon vote, unanimously carried, the Board accepted the BBVA Compass term sheet and directed Mr. Sharp and Attorney Guckenberger to negotiate certain provisions of the term sheet to favor the District.

### MAINTENANCE MATTERS

#### Landscape Report:

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

Mr. Smyth reported on the status of routine maintenance and updated the Board on project status.

#### Change Order No. 13 to the Service Agreement for Landscape Maintenance between the District and Brightview Landscape Services, Inc. for alley lot tree and material replacement:

The Board discussed Change Order No. 13 to the Service Agreement for Landscape Maintenance between the District and Brightview Landscape Services, Inc., for alley lot tree and material replacement, for an increase in the contract amount of \$70,663.97.

The Board deferred action.

#### Change Order No. 18 to the Service Agreement for Landscape Maintenance between the District and Brightview Landscape Services, Inc. for alley lot drainage repairs:

The Board discussed Change Order No. 18 to the Service Agreement for Landscape Maintenance between the District and Brightview Landscape Services, Inc. for alley lot drainage repairs for an increase in the contract amount of \$34,703.65.

The Board deferred action.

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### **CAPITAL IMPROVEMENTS**

#### **Status of Candelas Project:**

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

#### **Change Order No. 28 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control – August:**

The Board discussed Change Order No. 28 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control – August.

Following discussion, upon motion duly made by Director Daly, seconded by Director Veldhuizen and, upon vote, unanimously carried, the Board approved Change Order No. 28 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control – August, for an increase in the contract amount of \$14,986.25.

#### **Change Order No. 20 to the Service Agreement between the District and Brightview Landscape Services, Inc. - Filing 2 and 4A Landscape – Install hard-wired light fixture, concrete apron at mail kiosk, and install drain in F3 park:**

The Board discussed Change Order No. 20 to the Service Agreement between the District and Brightview Landscape Services, Inc. – Filing 2 and 4A Landscape – Install hard-wired light fixture, concrete apron at mail kiosk, and install drain in F3 park.

Following discussion, upon motion duly made by Director Daly, seconded by Director Veldhuizen and, upon vote unanimously carried, the Board approved Change Order No. 20 to the Service Agreement between the District and Brightview Landscape Services, Inc. – Filing 2 and 4A Landscaping – Install hard-wired light fixture, concrete apron at mail kiosk, and install drain in F3 park for an increase in the contract amount of \$10,294.00.

#### **Change Order No. 21 to the Service Agreement between the District and Brightview Landscape Services, Inc. - Filing 2 and 4A Landscape – Add Pickleball Lines to Tennis Courts:**

The Board discussed Change Order No. 21 to the Service Agreement between the District and Brightview Landscape Services, Inc. – Filing 2 and 4A Landscape – Add Pickleball Lines to Tennis Courts.

Following discussion, upon motion duly made by Director Daly, seconded by Director Veldhuizen and, upon vote unanimously carried, the Board approved Change Order No. 21 to the Service Agreement between the District and Brightview Landscape Services, Inc. – Filing

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### CAPITAL IMPROVEMENTS (continued)

2 and 4A Landscaping – Add Pickleball Lines to Tennis Courts for an increase in the contract amount of \$1,400.00.

#### **Change Order No. 1 to the Service Agreement between the District and Alpine Civil Construction - Filing 3 Regional Trail – Additional concrete and asphalt work:**

The Board discussed Change Order No. 1 to the Service Agreement between the District and Alpine Civil Construction – Filing 3 Regional Trail – Additional concrete and asphalt work.

Following discussion; upon motion duly made by Director Daly, seconded by Director Veldhuizen and, upon vote unanimously carried, the Board approved Change Order No. 1 to the Service Agreement between the District and Alpine Civil Construction – Filing 3 Regional Trail – Additional concrete and asphalt work for an increase in the contract amount of \$115,519.50.

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### FINANCIAL MATTERS (PART TWO)

#### **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 September 2017,” which summarizes IDES’ review and verification of the expenditures of the District for September 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 \$671,363.45 of District Eligible Expenses and \$1,132.51 of Non-Eligible Expenses.

Following discussion, upon motion duly made by Director Mulvany, seconded by Director Daly and, upon vote, unanimously carried, the Board determined to accept the District Eligible Expenses in the amount of \$671,363.45 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 \$1,132.51, based upon the recommendation of IDES.

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### **FINANCIAL MATTERS (PART TWO) (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 September 2017," which details the September 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 September 2017 Acquisition/Reimbursement Report identified a reduction of \$23,695.00 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 Director Mulvany seconded by Director Daly and, upon vote, unanimously carried, the Board determined to accept the reduction in costs identified in the September 2017 Acquisition/Reimbursement Report, which amount will be reimbursable under the Series 2015E Note.

#### **Claims:**

Mr. Wieser reviewed with the Board the claims for the period ending September 27, 2017 totaling \$674,191.96.

Following discussion, upon motion duly made by Director Mulvany, seconded by Director Daly and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending September 27, 2017 in the amount of \$674,191.96.

#### **Unaudited Financial Statements For the Period Ending August 31, 2017:**

Mr. Wieser reviewed the unaudited financial statements for the period ending August 31, 2017 with the Board.

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Mulvany and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending August 31, 2017, as presented.

#### **Appoint District Accountant Ross Wieser to prepare 2018 Budget and set date for 2018 Budget Hearing (Nov 13, 2017 at 9:00am):**

Mr. Wieser reviewed the preliminary draft of the 2018 Budget with the Board.

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

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**FINANCIAL  
MATTERS (PART  
TWO) (continued)**

Board appointed the District Accountant Ross Wieser to prepare the 2018 budget and set the date for the 2018 Budget Hearing as Wednesday, November 13, 2017 at 9:00 a.m.

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**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.

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**LEGAL MATTERS**

**Ratify approval of Easement between the District and the City of Arvada for light pole at Highway 72 & Culebra:**

Upon motion duly made by Director Mitchell, seconded by Director Daly and, upon vote, unanimously carried, the Board ratified approval of the easement to the City of Arvada to install a light pole at Highway 72 and Culebra.

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

Respectfully submitted,

By:   
Secretary for the Meeting





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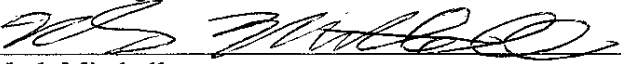
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THESE MINUTES APPROVED AS THE OFFICIAL  
SEPTEMBER 27, 2017 MINUTES OF THE CIMARRON  
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS  
SIGNING BELOW:

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

  
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Creig Veldhuizen

  
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Patrick Vaughn

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

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

SEPTEMBER 27 2017  
ATTACHMENT A

NAME	ADDRESS	PHONE	E-MAIL
Ken Edelberger	189 Del Bond St.		
Lara Cervantes	9445 Kilmer Way	3/810.3193	LaraC80004@gmail.com
Kilo Soutelle	15398 W 85th Ave	7/530-6182	kilogs@mailbox.cc.orc
Nancy Warner	9405 Kilmer Way	3-202-1468	nancywarnerdesign@gmail.com
Jon Jolin	15778 W 95TH AVE	301 2132359	J.A. Jolin@USA.NET