

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CIMARRON METROPOLITAN DISTRICT HELD NOVEMBER 15, 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 15th day of November, 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
Patrick Vaughn
Mark Mitchell (for a portion of the meeting)
Brian Mulvany

Also In Attendance Were:

Denise Hogenes; CCMC (for a portion of the meeting)

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)

Regina Dunn; GF Real Estate Group (via speakerphone for a portion of the meeting)

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

Mike Smyth; BrightView Landscape Services, Inc. (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 Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the agenda was approved, as amended.

Resolution No. 2017-11-01, Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices:

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Veldhuizen and, upon vote, unanimously carried,

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**ADMINISTRATIVE
MATTERS
(continued)**

the Board adopted the Resolution and established regular meeting dates for 2018 on the 4th Wednesday of each month at 9:00 a.m. at the Candelas Parkview Swim & Fitness Club, 19865 W. 94th Avenue, Arvada.

Insurance renewal, insurance schedules, and renewal of membership in the Special District Association:

Ms. Watts informed the Board that Ms. Nielsen of T. Charles Wilson Insurance Service will attend the December 13, 2017 Board Meeting to review coverage schedules for 2018. It was noted that membership in the Special District Association would be renewed in January 2018.

**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. Ratify IDES Verification of District Expenditures for October 2017.
- B. Ratify IDES Recommendations for Facilities Acquisition/Reimbursement for October 2017.
- C. Ratify approval of 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.
- D. Ratify approval of Change Order No. 2 to the Service Agreement between the District and Alpine Civil Construction – Filing 3 Regional Trail – Haystack Park (Park 4) for an increase in the contract amount of \$56,581.00.
- E. Ratify approval of Change Order No. 22 to the Service Agreement between the District and Brightview Landscape Services, Inc., - Filing 2 and 4A Landscape – Alley lot drainage; additional electrical work; T & M tickets for an increase in the contract amount of \$42,109.65.
- F. Ratify approval of Change Order No. 23 to the Service Agreement between the District and Brightview Landscape Services, Inc., - Filing 2 and 4A Landscape – repair area behind monument - for an increase in the contract amount of \$3,759.53.
- G. Ratify approval of Change Order No. 29 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional

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CONSENT AGENDA (continued)

Control – September for an increase in the contract amount of \$11,419.50.

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: Nicole Lynch, Debbie and Don Schartz, Nancy Varney and Fred Vanatta. After comments were provided Director Daly indicated the Board would produce a summary of responses to the various questions posed during public comment.

MAINTENANCE MATTERS

Landscape Report:

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

Mr. Smyth 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. 30 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control – October:

The Board discussed Change Order No. 30 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control – October.

Following discussion, upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved Change Order No. 30 to the Service Agreement between the District and WYOCO Erosion Control – Filing 2-4 Erosion Control – Additional Erosion Control – October, for an increase in the contract amount of \$15,479.00.

Change Order No. 3 to the Service Agreement between the District and Alpine Civil Construction - Filing 3 Regional Trail – Regional Trail/Haystack Park Additional Concrete:

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CAPITAL IMPROVEMENTS (continued)

The Board discussed Change Order No. to the Service Agreement between the District and Alpine Civil Construction – Filing 3 Regional Trail – Regional Trail/Haystack Park Additional Concrete.

Following discussion, upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote unanimously carried, the Board approved Change Order No. to the Service Agreement between the District and Alpine Civil Construction – Filing 3 Regional Trail – Regional Trail/Haystack Park Additional Concrete for an increase in the contract amount of \$82,424.50.

Change Order No. 13 to the Service Agreement between the District and Martin Marietta Materials – Filing 2 Paving – Final Quantities:

The Board discussed Change Order No. 13 to the Service Agreement between the District and Martin Marietta Materials – Filing 2 Paving – Final Quantities.

Following discussion, upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote unanimously carried, the Board approved Change Order No. 13 to the Service Agreement between the District and Martin Marietta Materials – Filing 2 Paving – Final Quantities for an decrease in the contract amount of <\$130,275.80.>

Change Order No. 15 to the Service Agreement between the District and Scott Contracting – Filing 2 Concrete – Warranty Work:

The Board discussed Change Order No. 15 to the Service Agreement between the District and Scott Contracting – Filing 2 Concrete – Warranty Work.

Following discussion, upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote unanimously carried, the Board approved Change Order No. 15 to the Service Agreement between the District and Scott Contracting – Filing 2 Concrete – Warranty Work for an increase in the contract amount of \$35,809.80.

FINANCIAL MATTERS

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:

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FINANCIAL MATTERS (continued)

Mr. Collins reviewed IDES' report entitled "Verification of District Expenditures for November 2017," which summarizes IDES' review and verification of the expenditures of the District for November 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 \$801,458.31 of District Eligible Expenses and \$87,062.27 of Non-Eligible Expenses.

Following discussion, upon motion duly made by Director Daly, seconded by Director Vaughn and, upon vote, unanimously carried, the Board determined to accept the District Eligible Expenses in the amount of \$801,458.31 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 \$87,062.27, 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 November 2017," which details the November 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 November 2017 Acquisition/Reimbursement Report identified a reduction of \$0.00 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 Daly seconded by Director Vaughn and, upon vote, unanimously carried, the Board determined to accept the reduction in costs identified in the November 2017 Acquisition/Reimbursement Report, which amount will be reimbursable under the Series 2015E Note conditioned upon Director Daly reconciling further with the District Accountant, and subject to the note maximum.

Accounts Payable transition between GF Real Estate Group and CCMC:

Ms. Dunn and Mr. Wieser reviewed with the Board the status and timeline for transition.

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FINANCIAL MATTERS (continued)

Claims:

Mr. Wieser reviewed with the Board the claims for the period ending November 15, 2017 totaling \$914,512.45.

Following discussion, upon motion duly made by Director Mulvany, seconded by Director Mitchell and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending November 15, 2017 in the amount of \$914,512.45.

Unaudited Financial Statements For the Period Ending October 31, 2017:

Mr. Wieser reviewed the unaudited financial statements for the period ending October 31, 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 October 31, 2017, as presented.

2017 Budget Amendment:

Director Daly opened the public hearing to consider a proposed amendment to the 2017 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider amendment of the 2017 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing. No public comments were received, and the public hearing was closed.

Mr. Wieser reviewed the proposed 2017 Budget Amendments with the Board. Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Vaughn and, upon vote unanimously carried, the Board adopted Resolution No. 2017-11-02 to Amend the 2017 Budget, and directed District Counsel to make the appropriate statutory filings.

2018 Budget:

Director Daly opened the public hearing to consider adoption of the 2018 Budget discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2018 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the

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FINANCIAL MATTERS (continued)

public hearing. No public comments were received, and the public hearing was closed.

Mr. Wieser reviewed the proposed 2018 Budget with the Board. Following discussion, upon motion duly made by Director Vaughn, seconded by Director Veldhuizen and, upon vote unanimously carried, the Board adopted Resolution No. 2017-11-03 to Adopt the 2018 Budget and Appropriate Sums of Money, and directed District Counsel to file the certified budget proceedings with the Division of Local Government by January 30, 2018.

DLG-70 Certification of Tax Levies:

Following discussion, upon motion duly made by Director Mulvany, seconded by Director Daly and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Certification of Tax Levies form for certification to the Board of County Commissioners and other interested parties.

Engagement of Barnes Griggs & Associates, PC to prepare 2017 Audit:

Following discussion, upon motion duly made by Director Mulvany, seconded by Director Daly and, upon vote, unanimously carried, the Board approved the engagement of Barnes, Griggs & Associates to prepare the 2017 Audit in an amount not to exceed \$6,400.00.

Receivable Balances owed by the District to GF Properties:

Mr. Wieser reviewed Receivable Balances owed by the District to GF Properties.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Veldhuizen and, upon vote, unanimously carried the Board approved the balances as amended.

LEGAL MATTERS

Discharge of Sump Pump Water:

Director Daly gave a brief overview of the alley lot drainage project. The District will monitor any issues throughout the winter and re-evaluate the condition in the Spring of 2018. The Board deferred additional action.

Second Amendment to Amended and Restated Operation funding Agreement between the District and Arvada Residential Partners, LLC:

The Board determined this amendment was unnecessary.

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LEGAL MATTERS **(continued)**

Compliance with Section 32-1-809, C.R.S for 2018 (District Transparency Notice):

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote, unanimously carried, the Board directed that the statutory Transparency Notice be posted on the Special District website.

Appoint Designated Election Official and Adopt Resolution No. 2017-11-04, Resolution Calling a Regular Election for Directors on May 8, 2018:

Following discussion, upon motion duly made by Director Daly, seconded by Director Vaughn and, upon vote, unanimously carried, the Board appointed Craig Sorensen as a Designated Election Official and adopted Resolution No. 2017-11-04, Resolution Calling a Regular Election for Directors on May 8, 2018.

Tax Exempt Loan from BBVA Compass (“Loan”):

The Board discussed the proposed Loan. Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board set a Special Meeting for Monday, November 27, 2017 at a time to be determined.

Filing 4 Plat Correction:

Director Daly provided a brief summary of the plat issues to be corrected.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the preparation of documents necessary to correct issues relating to the Filing 4 Plat.

OPERATIONAL **MATTERS**

Management Report:

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

Management Report: The Management Report was deferred due to time constraints.

Mountain High SavATree Holiday Lighting proposal and authorize preparation of a Service Agreement:

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Vaughn and, upon vote, unanimously carried, the

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**OPERATIONAL
MATTERS
(continued)**

Board approved the Mountain High SavATree Holiday Lighting proposal and authorized counsel to prepare a Service Agreement.

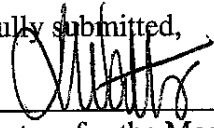
OTHER BUSINESS

None.

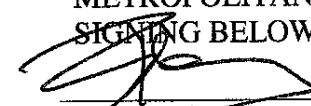
ADJOURNMENT

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
NOVEMBER 15, 2017 MINUTES OF THE CIMARRON
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS
SIGNING BELOW:



Brian Daly



Creig Veldhuizen



Patrick Vaughn



Mark Mitchell



Brian Mulvany

BOARD MEETING: NOVEMBER 15 2017

ATTACHMENT A

NAME	ADDRESS	PHONE	E-MAIL
Nicole Lynn	17757 W. 95th Ave Arvada, CO 80007	702.672.5547	Silvia.NicoleM@gmail.com
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