

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
LAKE OF THE ROCKIES METROPOLITAN DISTRICT
HELD
JULY 17, 2018**

A special meeting of the Board of Directors of Lake of the Rockies Metropolitan District ("Board") was held Tuesday, July 17, 2018, at 2:00 p.m., at the Tri-Lakes Chamber of Commerce, located at 166 Second Street, Monument, Colorado 80132.

In attendance were Directors:

Mike Fenton
Kristopher Crawford

Ken Rabel was absent and excused.

Also in attendance were:

Elisabeth Cortese; McGeady Becher P.C.
Carrie Bartow & Chelsea Gondeck; CliftonLarsonAllen LLP
Brooke Hutchens; D.A. Davidson & Co. (via phone)
Tiffany Leichman; Sherman & Howard LLC (via phone)
Jane F. Hess Tiltou; Resident
Jean W. LeLoup; Resident
Jennifer & Kenneth Hackworth; Resident
Pam Sparks; Resident
Kacie McLain; Resident
Nicole Ulmer; Resident
Ray & Leah Jones; Resident
Jennifer & Justin Adams; Resident
Paul & Stacey Fox; Resident
Jan Karasa; Resident
Dan Baumann; Resident
Erin Plauman; Resident
Kathleen Johnson; Resident
Tracy Wyatt; Resident

ADMINISTRATIVE
MATTERS

Call to Order / Disclosure of Conflicts of Interest/Declaration of Quorum

Director Fenton called the meeting to order and declared a quorum present at 2:05 pm.

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Secretary of State. The Members of the Board were requested 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. No additional

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disclosures were made. Attorney Cortese noted that Disclosure Statements for all Directors has been filed by the statutory deadline.

Meeting Agenda and Location and Posting of Notices

The Board reviewed the Agenda for the Special Meeting. Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote unanimously carried, the Agenda was approved as amended and the the absence of Director Rabel was excused.

The Board entered into discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, and upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board determined 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 date, time and location. Ms. Gondeck reported that notices were duly posted and that no objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries have been received.

Designation of 24-Hour Posting Location

Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board determined that notices of meeting of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location: on a post within the boundaries of the District.

May 8, 2018 Canceled Election

Attorney Cortese reported that the May 8, 2018 Regular District Election had been cancelled as allowed under Colorado Statute, as there were not more candidates than seats available. It was noted that Director Crawford was elected to a 4-year term.

Board Vacancies

Attorney Cortese presented information on the qualifications required to become a Board member and requested that applications could be presented to the district.

Appointment of Officers

Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote unanimously carried, the Board appointed the following slate of officers:

President - Director Fenton

Treasurer/Secretary - Director Crawford

Assistant Secretary - Director Rabel

Public Comment

Several residents noted their concerns about property taxes increasing. Ms. Bartow stated the notice residents likely received was simply informing them that the taxes would be reallocated to cover debt obligations; however, taxes are not being increased. Attorney Cortese clarified that recent legislation and the Gallagher Amendment may affect the way these taxes are presented.

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Residents raised concerns about what the debt is to be used for. Director Fenton presented the cost savings to home buyers through utilizing a metropolitan district. Ms. Bartow clarified that the debt is utilized to maintain public infrastructure within the district.

Residents noted confusion regarding metropolitan district organizations. Attorney Cortese clarified that the district is its own governmental entity and Ms. Bartow clarified that the Service Plan was approved through the Town of Monument.

Residents aired concerns about snow removal in the streets. Ms. Bartow explained that the streets are under the Town of Monument's snow removal plan and that residents should contact the Town of Monument.

Residents raised concerns about street lights not working. Ms. Bartow stated that the Board would follow up on this issue and informed the residents they are welcome to contact CliftonLarsonAllen LLP in the meantime.

Residents raised concerns about the location of the projected park construction. Director Fenton noted that the park was due to begin construction in early August and that Century Communities would follow up on the established location.

Residents raised concerns about the availability of information on the District and its meetings. Attorney Cortese clarified that the Board has historically met twice a year, but that frequency could be increased to quarterly. The creation of a District website was also discussed.

Approve Minutes from November 16, 2017 Regular Meeting

Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board approved the Meeting Minutes from November 16, 2017 as presented.

FINANCIAL MATTERS

Review and Ratify Current and Previous Claims

Ms. Bartow reviewed the current and previous claims with the Board. Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board ratified approval of the previous claims in the amount of \$52,713.03 and approved the current claims in the amount of \$6,733.65.

Unaudited Financial Statements and Cash Position Report

Ms. Bartow presented the Unaudited Financial Statements ending September 30, 2017 and the Cash Position Report. Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford, and upon vote unanimously carried, the Board accepted the Unaudited Financial Statements ending September 30, 2017 and the Cash Position Report.

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Ratify Approval of the 2017 Application for Audit Exemption

Ms. Bartow reviewed the Application for Exemption from Audit with the Board. Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board ratified approval of the 2017 Application for Audit Exemption.

Ratify the Engagement of Sherman & Howard LLC as District Bond Counsel

Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board ratified the Engagement with Sherman & Howard LLC as District Bond Counsel.

Ratify Engagement of D.A. Davidson & Co. for Investment Banking Services

Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board ratified the Engagement with D.A. Davidson & Co. for Investment Banking Services.

Ratify Approval of Service Agreement for Cost Verification Services between the District and M&S Civil Consultants, Inc.

Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board ratified the Service Agreement for Cost Verification Services between the District and M&S Consultants, Inc.

Review Cost Verification Report/Infrastructure Acquisition Report from M&S Civil Consultants, Inc. and the reimbursable costs

Discussion of this item was deferred.

Conduct Public Hearing to Consider Amending 2018 Budget; Consider Adoption of Resolution 2018-07-01

Director Fenton opened the public hearing to consider amending the 2018 Budget.

It was noted that Notice stating that the Board would consider amendment of the 2018 Budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing. No public comments were received, and the public hearing was closed.

Ms. Bartow reviewed the proposed amended Budget with the Board. Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board approved Resolution No. 2018-07-01 Amending the 2018 Budget (Capital Projects Fund from \$3,000,000 to \$6,000,000 and establishment of a Debt Service Fund in the amount of \$75,000).

LEGAL ITEMS

Ratify approval of Second Amendment to First Amended and Restated 2015 Operation Funding Agreement between the District and Century at LOR, LLC

Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board ratified

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approval of the Second Amendment to the First Amended and Restated 2015 Operation Funding Agreement between the District and Century at LOR, LLC.

Ratify approval of Facilities Funding and Acquisition Agreement between the District and Century at LOR, LLC

Following discussion upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board ratified approval of the Facilities Funding and Acquisition Agreement between the District and Century at LOR, LLC.

Ratify approval of Special Warranty Deed from Century at LOR, LLC to the District for the conveyance of Tract L, Lake of the Rockies Filing No. 1

Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board ratified approval of Special Warranty Deed from Century at LOR, LLC to the District for the conveyance of Tract L, Lake of the Rockies Filing No. 1.

Ratify approval of the License Agreement between the District and Century at LOR, LLC regarding Tract L, Lake of the Rockies Filing No. 1

Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board ratified approval of the License Agreement between the District and Century at LOR, LLC regarding Tract L, Lake of the Rockies Filing No. 1.

Consider adoption of a resolution authorizing the issuance of the District's General Obligation Limited Tax Bonds Series 2018A ("2018A Bonds") and its Subordinate General Obligation Limited Tax Bonds Series 2018B ("2018B Bonds") in the approximate aggregate principal amount of \$4,000,000 for the purpose of paying or reimbursing the costs of public improvements for the District, authorizing the execution and delivery of indentures of trust, a bond purchase agreement, a continuing disclosure agreement, and all other agreements, documents, instruments, certificates, and actions necessary or appropriate in connection with the issuance of the foregoing bonds (the "Authorizing Resolution")

Ms. Hutchens and Ms. Leichman discussed the 2018A Bonds and 2018B Bonds. Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board adopted the the Authorizing Resolution.

MANAGER'S ITEMS

Ratify Approval of Service Agreement with Metco Landscape, Inc. for 2018 Landscape Maintenance Services

Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board ratified the Service Agreement with Metco Landscape, Inc. for 2018 Services.

District Website

Following discussion, upon motion duly made by Director Fenton, seconded by Director Crawford and, upon vote, unanimously carried, the Board approved the engagement of a web designer for the District, not to exceed \$1,500.

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COVENANTS/
DEVELOPMENT

Status of Development

Director Fenton reported on the status of development.

OTHER
BUSINESS

Quorum for Next Board Meeting

The Board confirmed a quorum for the next Regular Board Meeting scheduled for September 13, 2018 at 10:00 a.m. at the Town Hall Chambers in Monument.

ADJOURNMENT

There was no further business to come before the Board, the meeting was adjourned at 3:11 p.m.

Respectfully submitted,

By



Secretary for the Meeting

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THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 17, 2018 MINUTES OF LAKE OF THE ROCKIES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW.



Mike Fenton

 

~~Peter Crawford~~



~~Jeffery D. Mattson~~

Jeffery D. Mattson