

**MINUTES OF A SPECIAL MEETING OF  
THE BOARD OF DIRECTORS OF THE  
LAKE OF THE ROCKIES METROPOLITAN DISTRICT  
(THE "DISTRICT")  
HELD  
NOVEMBER 17, 2016**

A special meeting of the Board of Directors of the Lake of the Rockies Metropolitan District (referred to hereafter as the "Board") was convened on Thursday, the 17<sup>th</sup> day of November, 2016, at 3:00 P.M., at the offices of Century Communities, 9475 Briar Village Point, Suite 125, Colorado Springs, Colorado 80920. The meeting was open to the public.

Directors In Attendance Were:

Mike Fenton  
Charlie Williams  
Jerry Biggs  
Jeff Powles

Ken Rabel was absent and excused.

Also In Attendance Were:

Elisabeth Cortese; McGeady Becher P.C.  
Cynthia Beyer and Carrie Bartow; CliftonLarsonAllen LLP "CLA"  
Sarah Darneal; Wildgrass at Rockrimmon MD Board Member

ADMINISTRATIVE  
MATTERS

Call to Order: Director Fenton called the meeting to order at 3:05 p.m.

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 Cortese noted that a quorum was present and 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 the statute. Attorney Cortese noted that all Directors' Disclosure Statements had been filed by the statutory deadline.

Agenda: Following discussion, upon motion duly made by Director Powles, seconded by Director Fenton and, upon vote unanimously carried, the Agenda was amended.

Approval of Meeting Location and Posting of Meeting Notices: 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. Following discussion, and upon motion duly made by Director Biggs, seconded by Director Fenton 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. Beyer further noted that notice of this 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.

Discuss Results of May 3, 2016 Cancelled Election: Ms. Cortese noted that the May 3, 2016 Election had been cancelled, as allowed under statute, as there were not more candidates than seats available. Directors Fenton and Rabel had been elected to four-year terms, until May 2020.

Appointment of Officers: The Board considered the appointment of officers. Following discussion, upon a motion duly made by Director Fenton, seconded by Director Biggs and, upon vote unanimously carried, the Board appointed the following officers:

Mike Fenton, President  
Charlie Williams, Secretary/Treasurer  
Jeff Powles, Jerry Biggs, Ken Rabel, Assistant Secretaries

PUBLIC  
COMMENT

There were no public comments.

November 13, 2015 Special Meeting Minutes: Following discussion, upon motion duly made by Director Fenton, seconded by Director Powles and, upon vote unanimously carried, the Board approved the November 13, 2015 meeting minutes as presented.

FINANCIAL  
MATTERS

Payment of Previous Claims: Following review, upon a motion duly made by Director Powles, seconded by Director Fenton and, upon vote, unanimously carried, the Board ratified approval of the payment of previous claims in the amount of \$36,090.89 Represented by Check Numbers 100 through 128.

Payment of Current Claims: None presented.

Approval of September 30, 2016 Unaudited Financial Statements and Cash Position Report: Ms. Bartow reviewed the September 30, 2016 Unaudited Financial Statements and Cash Position Report with the Board. . Upon a motion duly made by Director Powles, seconded by Director Fenton and, upon vote unanimously carried, the Board accepted the September 30, 2016 Unaudited Financial Statements and Cash Position.

Public Hearing on 2016 Budget Amendment: Director Powles opened the public hearing to consider the proposed 2016 Budget Amendment.

It was noted that Notice stating that the Board would consider amendment of the 2016 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. It was determined that an amendment to the 2016 budget was not necessary.

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

Public Hearing on 2017 Budget: Director Powles opened the public hearing to consider the proposed 2017 Budget and to discuss related issues.

It was noted that Notice stating that the Board would consider adoption of the 2017 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.

Following discussion, the Board considered the adoption of Resolution No. 2016-11-01 to Adopt the 2016 Budget and Appropriate Sums of Money, and Resolution No. 2016-11-02 to Set Mill Levies. Upon motion duly made by Director Powles, seconded by Director Fenton and, upon vote, unanimously carried, the Board adopted Resolution Nos. 2016-11-01 and 2016-11-02 and authorized execution of the Certification of Budget and Certification of Mill Levies, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2016. The District Accountant was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of El Paso County and the Division of Local Government not later than December 15, 2016. District Counsel was authorized to transmit the Certification of Budget to the Division of Local Government no later than January 30, 2017 and appointed the District Accountant to prepare and file the DLG-70.

2015 Application for Audit Exemption: Following discussion, upon a motion duly made by Director Powles, seconded by Director Fenton and, upon vote, unanimously carried, the Board ratified approval the 2015 Application for Audit Exemption.

Consider Appointment of District Accountant to Prepare and File 2016 Application for Exemption from Audit: Following discussion, upon a motion duly made by Director Powles, seconded by Director Fenton and, upon vote,

unanimously carried, the Board appointed the District Accountant to prepare and file the 2016 Application for Exemption from Audit.

LEGAL  
MATTERS

Ratify Approval of Service Agreement with Waste Management of Colorado, Inc. for Trash and Recycling Services: Following discussion, upon a motion duly made by Director Biggs, seconded by Director Fenton and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement with Waste Management of Colorado, Inc. for Trash and Recycling Services as presented.

Ratify Approval of Service Agreement with Metco Landscape, Inc. for 2016 Snow Removal Services: Following discussion, upon a motion duly made by Director Powles, seconded by Director Fenton and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement with Metco Landscape, Inc. for 2016 Snow Removal Services as presented.

Review and Ratify Approval of Operations and Maintenance Fee Resolution; Resolution No. 2016-09-01: Following discussion, upon a motion duly made by Director Biggs, seconded by Director Powles and, upon vote, unanimously carried, the Board ratified approval of the Operations and Maintenance Fee Resolution – Resolution No. 2016-09-01.

Review and Acknowledge Correspondence from BK-LOR, LLC regarding Terminating Funding Agreement between BK-LOR, LLC and the District and Entering into New Agreements with Century at LOR, LLC: Attorney Cortese reviewed the correspondence with the Board. Upon a motion duly made by Director Biggs, seconded by Director Powles and, upon vote unanimously carried, the Board acknowledged correspondence from BK-LOR, LLC regarding Terminating Funding Agreement between BK-LOR, LLC and the District and Entering into new agreements with Century at LOR, LLC, subject to final legal review.

Review and Consider Approval of Termination of Reimbursement Agreement with BK-LOR, LLC: Following discussion, upon a motion duly made by Director Biggs, seconded by Director Powles and, upon vote, unanimously carried, the Board approved the Termination of Reimbursement Agreement with BK-LOR, LLC, subject to final legal review.

Review and Consider Approval of Facilities Funding and Acquisition Agreement between District and Century at LOR, LLC: Following discussion, upon a motion duly made by Director Biggs, seconded by Director Powles and, upon vote, unanimously carried, the Board approved the Facilities Funding and Acquisition Agreement between District and Century at LOR, LLC, subject to final legal review.

Review and Consider Approval of First Amendment to First Amended and Restated 2015 Operation Funding Agreement between the District and Century at LOR, LLC: Following discussion, upon a motion duly made by Director Biggs, seconded by Director Powles and, upon vote unanimously carried, the Board approved the First Amendment to First Amended and Restated 2016 Operation Funding Agreement between the District and Century at LOR, LLC to increase shortfall amount to \$50,000 and to extend the term, subject to final legal review.

Review and Consider Approval of Service Agreement with Metco Landscape, Inc. for 2017 Snow Removal Services: Following discussion, upon a motion duly made by Director Powles, seconded by Director Fenton and, upon vote, unanimously carried, the Board approved the Service Agreement with Metco Landscape, Inc. for 2017 Snow Removal Services, subject to having the map with the snow removal plan attached.

Review and Consider approval of Service Agreement with Metco Landscape, Inc. for 2017 Landscape Maintenance Services: Following discussion, upon a motion duly made by Director Powles, seconded by Director Fenton and, upon vote, unanimously carried, the Board approved the Service Agreement with Metco Landscape, Inc. for 2017 Landscaping Maintenance Services.

Review and Consider Approval of Special Warranty Deed and a Bill of Sale: Following discussion, upon a motion duly made by Director Powles, seconded by Director Fenton and, upon vote, unanimously carried, the Board approved the Special Warranty Deed conveying Tracts B and J, Filing No. 1 to the District and a Bill of Sale for the conveyance of improvements, subject to final legal review.

MANAGER  
ITEMS

Discuss Business to be Conducted in 2017; Review and Adopt the 2017 Resolution No. 2016-11-03 Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting for 72-Hour and 24-Hour Notices: The Board discussed the business to be conducted in 2017. Upon a motion duly made by Director Powles, seconded by Director Fenton and, upon vote, unanimously carried, the Board adopted Resolution No. 2016-11-03 Establishing Regular Meeting Dates, Times, and Locations and Designating Location for Posting for 72-Hour and 24-Hour Notices and set 2017 regular meeting for the 3<sup>rd</sup> Thursday February, May, August and November at 1 p.m.

Discuss Cash Addendum from CLA: Following discussion, upon a motion duly made by Director Powles, seconded by Director Fenton and, upon vote, unanimously carried, the Board approved the Cash Addendum from CLA, as presented.

COVENANTS/  
DEVELOPMENT

Report on Status of Development: Director Fenton presented an update.

Discuss Covenant Enforcement:

- i. Review and Consider Adoption of Resolution No. 2016-11-04; Acknowledging and Adopting the Declaration of Covenants and Use Restrictions for Lake of the Rockies:  
Following discussion, upon a motion duly made by Director Fenton, seconded by Director Powles and, upon vote, unanimously carried, the Board adopted Resolution No. 2016-11-04, as presented.

Discuss Status of Design Guidelines and Consider Adoption of Resolution No. 2016-11-05; Adopting Lake of the Rockies Design Standards and Guidelines: Following discussion, upon a motion duly made by Director Fenton, seconded by Director Powles and, upon vote, unanimously carried, the Board adopted Resolution No. 2016-11-05, as presented.

Discuss and Consider Appointment of Individuals to Design Review Committee: Upon a motion duly made by Director Biggs, seconded by Director Fenton and, upon vote unanimously carried, the Board appointed Jeff Powless to the Design Review Committee.

Discuss Property Owned by BK-LOR, LLC and Potential Inclusion into District: The Board discussed the potential inclusion of property into the District. The District deferred further discussion until after the completion of the plat.

OTHER BUSINESS

Discuss District Insurance and Renewal of same; Discuss Renewal of SDA Membership: Following discussion, the Board directed CLA to update and renew the Districts Insurance. The Board also directed CLA to renew the SDA Membership, to update the SDA Website and obtain workers' compensation coverage and position schedule bond.

Discuss Transparency Notice and Mode of Eligible Elector Notification for 2017: Following discussion, the Board determined that CLA is to update the Transparency Notice and Mode of Eligible Elector Notification and post on the SDA Website.

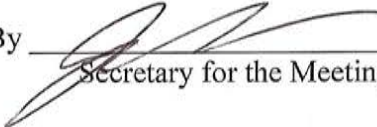
CONFIRM  
QUORUM/  
NEXT MEETING

The Board noted the next meeting is scheduled for February 16, 2016 at 1 p.m.

ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Director Fenton, seconded by Director Williams and, upon vote unanimously carried, the Board adjourned the meeting.

Respectfully submitted,


By  Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 17, 2016 MINUTES OF THE LAKE OF THE ROCKIES METROPOLITAN DISTRICT SPECIAL MEETING BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
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Mike Fenton

  
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Jeff Powles

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Jerry Biggs

Kenneth J. Rabel  
  
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Charlie Williams