

# RECORD OF PROCEEDINGS

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## MINUTES OF THE SPECIAL MEETING OF

### LOVELAND MIDTOWN METROPOLITAN DISTRICT

#### HELD

November 11, 2009

The Board of Directors (collectively, "Board") of the Loveland Midtown Metropolitan District, ("District") held a special meeting, open to the public, at the offices of Loveland Commercial, LLC, 1043 Eagle Drive, Loveland, Colorado 80537; at 10:00 am on Wednesday, November 11, 2009. Notice of the meeting has been duly posted with the Larimer County Clerk and Recorder and in three public places within the boundaries of the District.

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#### ATTENDANCE

##### Directors in Attendance:

Nathan Klein, Vice President  
Blaine Rappe, Secretary/Treasurer  
Eric Holsapple, Asst. Sec/Treasurer

##### Directors Absent and Excused:

Don Marostica, President  
Tracy Holsapple, Asst Secretary

##### Also in Attendance:

Deborah Early, Icenogle, Norton  
Kirsten Starman, Pinnacle Consulting Group, Inc.  
Teresa Adler, Pinnacle Consulting Group, Inc.

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#### CALL TO ORDER

The meeting was called to order at 10:00 am by Director Rappe, noting that a quorum was present. The directors in attendance confirmed their qualifications to serve. The Board recognized and approved the absence of Director Marostica and Director T. Holsapple from the Board meeting pursuant to Section 32-1-905(1)(g), C.R.S.

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#### CONFLICT OF INTEREST DISCLOSURE

Ms. Early noted that conflicts of interest for all Board Members have been filed. Ms. Early advised the Board that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Board reviewed the agenda for the meeting, following which each Board Member present confirmed the contents of the written disclosures previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

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#### AGENDA

The Board reviewed the agenda. Upon motion duly made by Director Holsapple, and seconded by Director Klein, it was unanimously

**RESOLVED** to approve the agenda as presented.

# RECORD OF PROCEEDINGS

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## APPROVAL OF MINUTES

Ms. Starman presented the minutes of the October 29, 2008 meeting. Upon motion duly made by Director Klein and seconded by Director Holsapple, it was unanimously

**RESOLVED** to approve the October 29, 2008 meeting minutes as presented.

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## FINANCIAL/PAYABLES REPORT

Ms. Starman presented the Schedule of Payables totaling \$84,027.35 as of November 10, 2009, including payments of \$81,725.07 to be ratified and payments of \$2,302.28 to be approved. Upon motion duly made by Director Holsapple and seconded by Director Klein, it was unanimously

**RESOLVED** to ratify and approve the Schedule of Payables as of November 11, 2009 in the amounts listed above.

Ms. Adler presented and reviewed with the Board the District's financial statement through September 30, 2009.

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## 2010 BUDGET HEARING & ADOPTION

Director Rappe opened the 2010 Budget Hearing to the public. Ms. Starman reported that notice of the hearing had been published in accordance with state budget law. There being no public input, the public hearing portion of the budget hearing was closed. The Board reviewed the 2010 budget, which detailed estimated revenues and expenditures for the District.

Mill levy is 40 mills.  
General Fund Expenditures total \$91,873.

After further review and discussion, and upon motion duly made by Director Holsapple and seconded by Director Rappe, it was unanimously

**RESOLVED**, for the District, to approve the Resolution to Adopt the 2010 Budget, Set the Mill Levy and Appropriate budgeted funds upon final certification of value being received by the county on or before December 10, 2010, and approve all other documents related to the 2010 budget. The District Manager is authorized to make minor modifications that may be necessary following receipt of final assessed values.

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## 2008 AUDIT EXEMPTION

Ms. Starman requested that the Board authorize Pinnacle to prepare Application for Exemption from Audit for 2009 and file with the State Auditor for the District. Upon motion duly made by Director Holsapple, seconded by Director Rappe, it was unanimously

**RESOLVED** to authorize preparation of the 2009 Application for Audit Exemption.

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## 2010 ANNUAL ADMINISTRATIVE MATTERS RESOLUTION

Ms. Early presented the 2010 Annual Administrative Matters Resolution, which sets forth certain annual administrative obligations to be performed in 2010 by the District or its

# RECORD OF PROCEEDINGS

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designee. Upon motion duly made by Director Holsapple, seconded by Director Rappe, it was unanimously

**RESOLVED** to approve the 2010 Administrative Matters Resolution.

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ELECTION  
RESOLUTION  
MAY 2010

Ms. Early presented the Election Resolution for the May 2010 Directors Election. Directors Klein and T. Holsapple are up for re-election. Upon motion duly made by Director E. Holsapple and seconded by Director Rappe, it was unanimously

**RESOLVED** to approve the Election Resolution for the May 2010 Directors Election.

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AMEND AND RESTATE  
RECORDS  
RETENTION RESOLUTION

Ms. Early presented the Amended and Restated Records Retention Resolution to adopt the State Archives Manual. Upon motion duly made by Director Holsapple and seconded by Director Rappe, it was unanimously

**RESOLVED** to approve the Amended and Restated Records Retention Resolution to Adopt the State Archives Manual.

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2010  
PROMISSORY NOTE  
FOR CAPITAL COSTS

Ms. Early informed the Board that the District's Subordinate Promissory Note, issued on January 1, 2009, to Loveland Midtown Development, Inc. for the repayment of capital costs advanced to the District, matures on December 31, 2009, and that the District lacks sufficient funds to pay such Note in full at maturity. Therefore, Ms. Early presented the Board with a new Subordinate Promissory Note and advised the Board that, in accordance with the District's Advance and Reimbursement Agreement dated February 1, 2006, the District must issue a new Subordinate Promissory Note to Loveland Midtown Development, Inc., with an effective date of January 1, 2010 and a maturity date of December 31, 2010, to refund the existing Subordinate Promissory Note. Upon motion duly made by Director Rappe and seconded by Director Holsapple, it was unanimously

**RESOLVED** to approve the issuance of a new Subordinate Promissory Note to Loveland Midtown Development, Inc. for the repayment of capital costs advanced to the District, with an effective date of January 1, 2010 and a maturity date of December 31, 2010.

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2010  
PROMISSORY NOTE  
FOR OPERATIONS AND  
MAINTENANCE COSTS

Ms. Early informed the Board that the District's Subordinate Promissory Note, issued on January 1, 2009, to Loveland Midtown Development, Inc. for the repayment of operations and maintenance costs advanced to the District matures on December 31, 2009, and that the District lacks sufficient funds to pay such Note in full at maturity. Therefore, Ms. Early presented the Board with a new Subordinate Promissory Note and advised the Board that, in accordance with the District's Funding and Reimbursement Agreement dated February 1, 2006, the District must issue a new Subordinate Promissory Note, with an effective date of January 1, 2010 and a maturity date of December 31, 2010, to refund the existing Subordinate Promissory Note. Upon motion duly made by Director Rappe and seconded by Director Holsapple, it was unanimously

# RECORD OF PROCEEDINGS

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**RESOLVED** to approve the issuance of a new Subordinate Promissory Note to Loveland Midtown Development, Inc. for the repayment of operations and maintenance costs advanced to the District, with an effective date of January 1, 2010 and a maturity date of December 31, 2010.

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WORKER'S  
COMPENSATION  
RESOLUTION

Ms. Starman noted that the Division of Local Government requires that Board members approve a Resolution to Exclude from Worker's Compensation should the Board elect to not carry worker's compensation insurance. Upon motion duly made by Director Holsapple, seconded by Director Rappe, it was unanimously

**RESOLVED** to approve the Resolution to Exclude from Worker's Compensation.

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ARB UPDATE

Ms. Starman presented Rules and Regulations for approval. Upon motion duly made by Director Holsapple and seconded by Director Rappe, it was unanimously

**RESOLVED** to approve the Rules and Regulations.

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PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Upon receiving no comments, this portion of the meeting was closed.

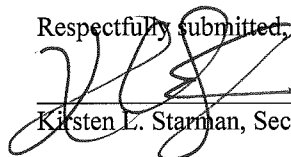
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ADJOURNMENT

There being no further business to come before the Board at this time, the meeting was adjourned.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Respectfully submitted,

  
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Kirsten L. Starman, Secretary for the Meeting