

# RECORD OF PROCEEDINGS

## ADOPTED MINUTES OF THE SPECIAL MEETING OF

### LOVELAND MIDTOWN METROPOLITAN DISTRICT

#### HELD

November 17, 2010

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 8:30 am on Wednesday, November 17, 2010. 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.

#### ATTENDANCE

##### Directors in Attendance:

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

##### Directors Absent and Excused:

Don Marostica, President

##### Also in Attendance:

Deborah Early, Icenogle, Seaver, Pogue, P.C.  
Kirsten Starman, Pinnacle Consulting Group, Inc.  
Teresa Adler, Pinnacle Consulting Group, Inc.  
Wayne Lewis, Loveland Commercial, LLC

#### CALL TO ORDER

The meeting was called to order at 8:30 am by Director Klein, 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 from the Board meeting pursuant to Section 32-1-905(1)(g), C.R.S.

#### 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.

#### AGENDA

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

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

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## APPROVAL OF MINUTES

Ms. Starman presented the minutes of the November 11, 2009 meeting. Upon motion duly made by Director Rappe and seconded by Director Holsapple, it was unanimously

**RESOLVED** to approve the November 11, 2009 meeting minutes as presented.

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## FINANCIAL/PAYABLES REPORT

Ms. Starman presented the Schedule of Payables totaling \$89,987.90 as of November 10, 2010, including payments of \$69,612.74 to be ratified and payments of \$20,366.16 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 the Financial Statement through September 30, 2010. Noting the large fund balance, Director Holsapple questioned if the Developer Repayment amount could be increased for 2010. Ms. Adler responded that this would require an amendment to the 2010 budget to increase expenditures. Director Holsapple requested the budget be amended at a future meeting.

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## 2011 BUDGET HEARING & ADOPTION

Director Rappe opened the 2011 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 2011 budget, which detailed estimated revenues and expenditures for the District.

After further review and discussion, the Board decided to continue the meeting in order to allow for preparation of a five year financial plan.

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## 2010 AUDIT EXEMPTION

Ms. Starman requested that the Board authorize Pinnacle to prepare Application for Exemption from Audit for 2010 and file with the State Auditor for the District. Upon motion duly made by Director Klein, seconded by Director Rappe, it was unanimously

**RESOLVED** to authorize preparation of the 2010 Application for Audit Exemption.

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## 2011 ANNUAL ADMINISTRATIVE MATTERS RESOLUTION

Ms. Early presented the 2011 Annual Administrative Matters Resolution, which sets forth certain annual administrative obligations to be performed in 2011 by the District or its designee. Discussion ensued and the Board opted to adjust the officer titles of Don Marostica and Eric Holsapple. Director Marostica will become Assistant Secretary/Treasurer and Director Holsapple will become President. Upon motion duly made by Director Holsapple, seconded by Director Rappe, it was unanimously

**RESOLVED** to approve the 2011 Administrative Matters Resolution.

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2011

PROMISSORY NOTE  
FOR CAPITAL COSTS

Ms. Early informed the Board that the District's Subordinate Promissory Note, issued on January 1, 2010, to Loveland Midtown Development, Inc. for the repayment of capital costs advanced to the District, matures on December 31, 2010, 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, 2011 and a maturity date of December 31, 2011, to refund the existing Subordinate Promissory Note. Upon motion duly made by Director Holsapple and seconded by Director Rappe, 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, 2011 and a maturity date of December 31, 2011.

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2011

PROMISSORY NOTE  
FOR OPERATIONS AND  
MAINTENANCE COSTS

Ms. Early informed the Board that the District's Subordinate Promissory Note, issued on January 1, 2010, to Loveland Midtown Development, Inc. for the repayment of operations and maintenance costs advanced to the District matures on December 31, 2010, 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, 2011 and a maturity date of December 31, 2011, to refund the existing Subordinate Promissory Note. Upon motion duly made by Director Holsapple and seconded by Director Rappe, it was unanimously

**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, 2011 and a maturity date of December 31, 2011.

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2010 LANDSCAPE  
MAINTENANCE  
CONTRACT

Ms. Starman reported that the District had entered into a contract with Mill Brothers Landscape Maintenance for 2010 landscape maintenance services. Upon motion duly made by Director Rappe and seconded by Director Holsapple, it was unanimously

**RESOLVED** to ratify the 2010 Landscape Maintenance contract with Mill Brothers Landscape and Maintenance.

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2010-2011 SNOW  
REMOVAL CONTRACT

Ms. Starman presented the contract for 2010-2011 Snow Removal services with Mill Brothers Landscape and Maintenance. Upon motion duly made by Director Rappe and seconded by Director Holsapple, it was unanimously

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**RESOLVED** to approve the 2010-2011 Snow Removal contract with Mill Brothers Landscape and Maintenance.

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ARCHITECTURAL  
REVIEW BOARD UPDATE

Ms. Starman presented for ratification fence and landscape submittals as described in the attached tracking sheet. Upon motion duly made by Director Rappe and seconded by Director Holsapple, it was unanimously

**RESOLVED** to approve the fence and landscape submittals as described on the attached tracking sheet.

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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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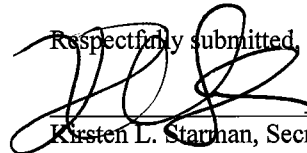
CONTINUATION

Due to the request to provide a five year financial projection, the Board decided to continue the meeting. Upon motion made by Director Holsapple and seconded by Director Rappe, it was unanimously

**RESOLVED** to continue the Special Meeting of the Board to Wednesday, December 1, 2010 at 10:00 AM.

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