

## RECORD OF PROCEEDINGS

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### MINUTES OF THE CONTINUED SPECIAL MEETING OF

#### LOVELAND MIDTOWN METROPOLITAN DISTRICT HELD November 2, 2017

The Board of Directors (collectively, "Board") of the Loveland Midtown Metropolitan District, ("District") held a continued special meeting, open to the public, at the offices of Pinnacle Consulting Group, Inc., 550 W. Eisenhower Boulevard, Loveland, Colorado 80537; at 10:00 a.m. on Thursday, November 2, 2017. Notice of the meeting was duly posted with the Larimer County Clerk and Recorder and in three public places within the boundaries of the District.

#### ATTENDANCE

#### Directors in Attendance:

Blaine Rappe, President  
Nathan Klein, Vice President  
Eric Holsapple, Director  
Curtis D. Zimmerman, Secretary/Treasurer (via teleconference)

#### Also in Attendance:

Deborah Early, Esq.; Icenogle Seaver Pogue, P.C. (via teleconference)  
Tom Flock, Amanda Campbell, Molly Janzen and Darcy Chilton; Pinnacle Consulting Group, Inc.

#### CALL TO ORDER

The meeting was called to order at 10:01 a.m. by Director Rappe, noting that a quorum was present. The directors in attendance confirmed their qualifications to serve.

#### CONFLICTS OF INTEREST DISCLOSURE

Ms. Early noted that conflicts of interest for Directors Rappe, Klein, and Holsapple have been filed for the original meeting, which remain in effect for this continued meeting. 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.

#### APPROVAL OF AGENDA

Mr. Flock distributed for the Board's review and approval a proposed agenda for the continued meeting. Following review, upon motion duly made by Director Klein, seconded by Director Holsapple and, upon vote, unanimously carried, it was,

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**RESOLVED** to approve the agenda, as amended.

PUBLIC COMMENT  
ON NON-AGENDA  
ITEMS

There were no members of the public in attendance.

FINANCIAL  
MATTERS

2018 Budget Hearing: Mr. Flock reported that the public hearing on the 2018 budget was held at the October 25, 2017 meeting. -opened the public hearing to consider the proposed 2018 budget.

The Board discussed the covenant violation enforcement expenditures reflected in the budget. The Board discussed the frequency of covenant inspections and the possibility of implementing a self-managed committee of homeowners to conduct inspections as needed. The Board discussed several additional options including reducing inspections to once a month, using a third party, and implementing a volunteer committee who can conduct inspections and report back to the District who will then distribute violation letters to the identified offenders.

Ms. Early noted that the covenants have appointed the Board of the District to serve on the Architectural Control Committee, which Committee enforces the covenants. To change the designated enforcer of the covenants, the covenants would need to be amended by at least 67% of the Lot owners. The District has no authority to amend the covenants.

The Board discussed various options to reduce District costs and requested that open space and street inspections be combined with the regularly scheduled operations and maintenance inspections. The Board reviewed the Pinnacle Consulting Group budgeted hours for the District. Ms. Castle noted that the increase to facilities is due to the change in scope of services, however the budgeted hours for 2018 are 75% less than 2017. The Board directed Ms. Castle to decrease the budgeted hours for covenant control for 2018 from 86 hours to 25 hours. Ms. Castle suggested reducing the financial reports from four reports to two reports, providing June 30<sup>th</sup> and December 31<sup>st</sup> financials. The Board requested Ms. Castle to prepare a revised budget to incorporate the changes discussed. The Board agreed to defer approval of the 2018 budget and to continue the meeting until November 28, 2017.

As part of the 2018 budget discussion, Ms. Castle proposed changing the meeting date to the third Wednesday in March and September versus October to coincide with the financial reports.

Mr. Flock asked the Board to consider amending the meeting resolution to change regular meeting dates to the third Wednesday in March and September at 10:00 a.m. Following review, upon motion duly made by Director Holsapple, seconded by Director Klein and, upon vote, unanimously carried, it was,

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**RESOLVED** to amend the meeting resolution to change regular meeting dates to the third Wednesday in March and September at 10:00 a.m.

The Board discussed amending the Covenant Violation Enforcement Policy. Following review and discussion and upon motion duly made by Director Klein, seconded by Director Holsapple and, upon vote, it was unanimously

**RESOLVED** to amend the Covenant Violation Enforcement Policy to one inspection per month during April through October, otherwise inspections will be driven by homeowner complaints.

DIRECTOR'S ITEMS There were no Director's Items brought before the Board for consideration.

OTHER BUSINESS There was no other business brought before the Board for consideration.

CONTINUATION Upon a motion by Director Holsapple, seconded by Director Klein, and unanimous vote, the meeting is continued to Tuesday, November 28, 2017 at 10:00 a.m.

Respectfully submitted,

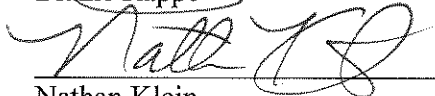


Tom Flock,  
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL MINUTES OF THE NOVEMBER 2, 2017 CONTINUED SPECIAL MEETING OF THE LOVELAND MIDTOWN METROPOLITAN DISTRICT BOARD OF DIRECTORS, BY THE DIRECTORS SIGNING BELOW:



Blaine Rappe



Nathan Klein

Curtis D. Zimmerman



Eric Holsapple