

# RECORD OF PROCEEDINGS

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MINUTES OF THE SPECIAL  
MEETING OF  
LOVELAND MIDTOWN METROPOLITAN DISTRICT

HELD

October 16, 2013

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 Pinnacle Consulting Group, Inc., 5110 Granite Street, Ste. C, Loveland, Colorado 80538; at 10:00 am on Wednesday, October 16, 2013. 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:

Blaine Rappe, President (via conference call)  
Nathan Klein, Vice President (via conference call)  
Randy Vinding, Secretary/Treasurer (via conference call)  
Mike McNulty, Asst. Secretary/Treasurer (via conference call)  
Eric Holsapple, Asst. Secretary/Treasurer (via conference call)

Also in Attendance:

Deborah Early, Icenogle, Seaver, Pogue, P.C. (via conference call)  
Kirsten Starman, Pinnacle Consulting Group, Inc. (via conference call)  
Peggy Dowswell, Pinnacle Consulting Group, Inc. (via conference call)  
Shana L. Morgan, Pinnacle Consulting Group, Inc.

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CALL TO ORDER

The meeting was called to order at 10:00 a.m. by Director Rappe, noting that a quorum was present. The directors in attendance confirmed their qualifications to serve.

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CONFLICT OF INTEREST  
DISCLOSURE

Ms. Early noted that conflicts of interest for Director Rappe, Klein and Holsapple have been filed reflecting each of their association with the developer, Loveland Midtown Development Inc. 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. Additionally, 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 Klein, and seconded by Director Vinding, it was unanimously

**RESOLVED** to approve the agenda as amended to add a Discussion related to the Bonds before item No. 12.

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APPROVAL OF  
MEETING  
RESOLUTION

Ms. Early presented the Meeting Resolution. Upon motion duly made by Director McNulty, and seconded by Director Holsapple it was unanimously

**RESOLVED** to approve the Meeting Resolution, designating 1627 E. 18<sup>th</sup> Street, Loveland, Colorado as the new meeting location for all future meetings of the Board, setting the location for the 24-hour posting of meeting notices at the Southwest corner of 11<sup>th</sup> Street and Boise Avenue, and approving other matters relating to Board meetings.

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APPROVAL OF  
MINUTES

Ms. Starman presented the minutes of the April 3, 2013 meeting. Upon motion duly made by Director Vinding, and seconded by Director McNulty it was unanimously

**RESOLVED** to approve the April 3, 2013 minutes as presented.

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RATIFICATION  
OF PAYABLES

Ms. Dowswell presented the check detail dated February 27 through October 8, 2013, including check numbers 1476 through 1510, totaling \$74,625.85 for ratification. Upon motion duly made by Director Klein and seconded by Director Vinding, it was unanimously

**RESOLVED** to ratify the payments dated February 27 through October 8, 2013, including check numbers 1476 through 1510, totaling \$74,625.85.

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FINANCIAL REPORT

Ms. Dowswell presented the financial report as of August 31, 2013 for the boards review. Director McNulty requested an explanation of the last two paragraphs of the financial cover letter. Ms. Dowswell explained that an annual audit includes all of the required disclosures, notes and financial information; however this financial report does not include those and is intended for management purposes only.

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2014 BUDGET  
HEARING

Director Rappe opened the public hearing for the 2014 budget. There being no public input the public portion of the budget hearing was closed. Ms. Dowswell reviewed the 2014 budget in detail and answered questions. Following further review and discussion and upon motion duly made by Director Holsapple and seconded by Director McNulty, it was unanimously

**RESOLVED** to approve the resolution to Adopt the 2014 Budget, Certify the Mill Levy, Appropriate budgeted funds, and approve all other documents related to the 2014 budget.

Discussion related to the Bonds ensued. The board asked if the District could get a lesser interest rate and/or a shorter term on the current bonds. Ms. Dowswell informed the board that the current interest rate is below market, the District does not have enough revenue coverage to be able to market these bonds to outside investors, nor does the District have the revenue to pay off the bonds earlier than the current 40 year term.

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## ITEMS FROM THE DISTRICT MANAGER

No items were brought before the Board by the District Manager.

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## PUBLIC COMMENTS

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

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## ITEMS FROM THE ATTORNEY

Ms. Early presented the 2014 Annual Administrative Matters Resolution, which sets forth certain annual administrative obligations to be performed in 2014 by the District or its designees. Discussion ensued. The Board determined to hold regular meetings in 2014 semi-annually, on the third Wednesday of April and October at 10:00 a.m. at 1627 E. 18<sup>th</sup> Street, Loveland, Colorado. Upon motion duly made by Director Holsapple, seconded by Director McNulty, it was unanimously

**RESOLVED** to approve the 2014 Administrative Matters Resolution.

Ms. Early presented the 2014 Election Resolution. Upon motion duly made by Director Holsapple and seconded by Director McNulty, it was unanimously

**RESOLVED** to approve the 2014 Election Resolution.

Ms. Early informed the Board that the District's Subordinate Promissory Note, issued on January 1, 2013, to Loveland Midtown Development, Inc. for the repayment of capital costs advanced to the District, matures on December 31, 2013, and that it is anticipated that the District will lack 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, 2014 and a maturity date of December 31, 2014, to refund the existing Subordinate Promissory Note. Upon motion duly made by Director Vinding and seconded by Director Klein, 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, 2014 and a maturity date of December 31, 2014.

Ms. Early informed the Board that the District's Subordinate Promissory Note, issued on January 1, 2013, to Loveland Midtown Development, Inc. for the repayment of operations and maintenance costs advanced to the District matures on December 31, 2013, 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, 2014 and a maturity date of December 31,

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2014, to refund the existing Subordinate Promissory Note. Upon motion duly made by Director Vinding and seconded by Director Klein, 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, 2014 and a maturity date of December 31, 2014.

Ms. Early presented to the Board the Second Amendment to Public Records Retention Resolution. Upon motion duly made by Director McNulty and seconded by Director Holsapple, it was unanimously

**RESOLVED** to approve the Second Amendment to Public Records Retention Resolution.

Director Holsapple left the meeting at this time.

Ms. Early presented the 2013 legislative updates to the Board.

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ARCHITECTURAL  
CONTROL COMMITTEE  
UPDATE

Ms. Starman presented the Architectural control review log to the Board. Upon motion duly made by Director McNulty and seconded by Director Holsapple, it was unanimously

**RESOLVED** to ratify the approvals made by the Architectural Control Committee.

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ANY OTHER MATTERS  
TO COME BEFORE THE  
BOARD

No other matter were brought before the Board.

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ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:50 a.m.

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

Respectfully submitted,

  
Kirsten L. Starman, Secretary for the Meeting