

RECORD OF PROCEEDINGS

DRAFT MINUTES OF THE SPECIAL MEETING OF

LOVELAND MIDTOWN METROPOLITAN DISTRICT

HELD

October 17, 2012

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, Suite C, Loveland, Colorado 80538; at 10:00 am on Wednesday, October 17, 2012. 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:

Blaine Rappe, President
Nathan Klein, Vice President
Randy Vinding, Secretary/Treasurer

Directors Absent and Excused

Eric Holsapple, Asst. Secretary/Treasurer
Mike McNulty, Secretary/Treasurer

Also in Attendance:

Deborah Early, Icenogle Seaver Pogue, P.C.
Kirsten Starman, Pinnacle Consulting Group, Inc.
Amanda Castle, Pinnacle Consulting Group, Inc.
Harry Crosby, Homeowner

CALL TO ORDER

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

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 Klein, and seconded by Director Vinding, it was unanimously

RESOLVED to approve the agenda as presented.

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APPROVAL OF AMENDED MINUTES

Ms. Starman presented the minutes of the June 20, 2012 meeting. Upon motion duly made by Director Klein and seconded by Director Vinding, it was unanimously

RESOLVED to approve the June 20, 2012 minutes as presented.

APPROVAL OF PAYABLES/FINANCIAL REPORT

Ms. Starman presented for ratification and approval the Check Detail dated July 1, 2012-October 12, 2012, totaling \$35,571.62, including checks #1424-1443. Upon motion duly made by Director Vinding and seconded by Director Klein, it was unanimously

RESOLVED to ratify the Check Detail dated July 1 – October 12, 2012 in the amount noted above.

Ms. Starman presented for approval the Check Detail dated October 1-11, 2012 totaling \$7,304.26, including checks #1440-1443. Upon motion duly made by Director Vinding and seconded by Director Klein, it was unanimously

RESOLVED to approve the Check Detail dated October 1-11, 2012 in the amount noted above.

Ms. Castle reviewed the Balance Sheet and Statement of Revenues and Expenditures through September 30, 2012.

2013 BUDGET HEARING

Director Klein opened the public hearing for the 2013 budget. There being no public input the public hearing portion of the budget hearing was closed. Ms. Castle reviewed the budget in detail and answered questions. Following further review and discussion and upon motion duly made by Director Klein and seconded by Director Vinding, it was unanimously

RESOLVED to approve the resolution to Adopt the 2013 Budget, Certify the Mill Levy, Appropriate budgeted funds, and approve all other documents related to the 2013 budget.

ITEMS FROM THE DISTRICT LEGAL COUNSEL

Ms. Early presented the 2013 Annual Administrative Matters Resolution, which sets forth certain annual administrative obligations to be performed in 2013 by the District or its designees. Discussion ensued. The Board determined that it will add all gang mailboxes within Boise Village North as a posting location of meeting notices. The Board determined to hold regular meetings in 2013 semi-annually (April and November) on such dates as determined by the Board at 10:00a.m. at 5110 Granite Street, Suite C, Loveland, Colorado. Upon motion duly made by Director Vinding, seconded by Director Klein, it was unanimously

RESOLVED to approve the 2013 Administrative Matters Resolution.

Ms. Early informed the Board that the District's Subordinate Promissory Note, issued on January 1, 2012, to Loveland Midtown Development, Inc. for the repayment of capital costs advanced to the District, matures on December 31, 2012, 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, 2013 and a maturity date of December 31, 2013, to refund the existing Subordinate Promissory Note.

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Upon motion duly made by Director Klein and seconded by Director Vinding, 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, 2013 and a maturity date of December 31, 2013.

Ms. Early informed the Board that the District's Subordinate Promissory Note, issued on January 1, 2012, to Loveland Midtown Development, Inc. for the repayment of operations and maintenance costs advanced to the District matures on December 31, 2012, 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, 2013 and a maturity date of December 31, 2013, to refund the existing Subordinate Promissory Note. Upon motion duly made by Director Klein and seconded by Director Vinding, 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, 2013 and a maturity date of December 31, 2013.

ITEMS FROM THE DISTRICT MANAGER

Ms. Starman presented to the Board for ratification the Professional Services Agreement with Valley Crest Landscape Maintenance for snow removal services from October 1, 2012 through April 1, 2013. Upon motion duly made by Director Vinding, seconded by Director Klein, it was unanimously

RESOLVED to ratify the snow removal contract with Valley Crest Landscape Maintenance.

ARCHITECTURAL CONTROL COMMITTEE

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

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

The Board reviewed the Architectural Control Committee procedures. All five Board members are on the Architectural Control Committee. The ACC clarified that Pinnacle Consulting Group will continue to review all fence and landscaping submittals and Blaine Rappe will continue to review architectural submittals including paint colors.

PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Mr. Crosby asked if the Board would consider beautification of the area along the fence line north of the property adjacent to the City of Loveland trail. The Board asked the District Manager to verify the irrigation is in working order in the Spring of 2013 and provide follow up at the next Board meeting. Mr. Crosby also asked if a newsletter could be sent out just prior to the next neighborhood meeting announcing the neighborhood meeting. The Board directed the District Manager to do so.

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Upon receiving no further comments, the portion of the meeting was closed.

ANY OTHER MATTERS
TO COME BEFORE THE
BOARD

Ms. Starman questioned the Board if the District was responsible for staining the both sides of the cedar fence or just the outside. The Board stated that the District will stain both sides of any cedar fence that is not adjacent to private property. Fence that is adjacent to private property will be stained on the outside of the fence only. The Board asked the District Manager to present a staining plan, including schedule and cost at the next Board meeting.

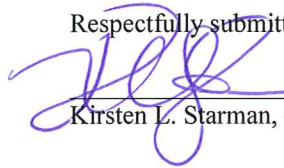
Director Klein asked the District Manager to look into permanent posting devices that could be installed adjacent to the gang mailboxes.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:30 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