

# RECORD OF PROCEEDINGS

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## MINUTES OF THE REGULAR MEETING OF LOVELAND MIDTOWN METROPOLITAN DISTRICT HELD September 19, 2018

The Board of Directors (collectively, "Board") of the Loveland Midtown Metropolitan District, ("District") held a regular 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 Wednesday, September 19, 2018. 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, Secretary/Treasurer  
Eric Holsapple, Vice President (via teleconference)

#### Also in Attendance:

Deborah Early, Esq.; Icenogle Seaver Pogue, P.C. (via teleconference)  
Kammy Tinney, Molly Janzen, Darcy Chilton and Katie McCormack; Pinnacle Consulting Group, Inc.

### CALL TO ORDER

The meeting was called to order at 10:03 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. 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

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

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

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### APPROVAL OF MINUTES

The Board reviewed the minutes of the March 21, 2018 regular meeting and May 23, 2018 special meeting and considered reapproval of the minutes of the October 25, 2017 special meeting. Following review, upon motion duly made by Director Klein, seconded by Director Holsapple and, upon vote, unanimously carried, it was

**RESOLVED** to approve the minutes of the March 21, 2018 regular meeting and May 23, 2018 special meeting, and reapprove the October 25, 2017 special meeting minutes, as presented.

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### BOARD VACANCIES

Ms. Tinney reported that there are currently two vacancies on the Board of Directors and suggested notification to interested residents via the District's website, in addition to the required notice by publication. The Board directed that notice of the vacancies be published and posted to the District's website again in Spring 2019, prior to the regular meeting in March.

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### PUBLIC COMMENT ON NON-AGENDA ITEMS

There were no members of the public in attendance.

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### FINANCIAL MATTERS

Ratify Previous Claims Presented for Payment: Ms. Janzen presented the check detail for the period March 16, 2018 through August 31, 2018, totaling \$78,899.68 which includes EFT payments in the amount of \$11,545.03 and check numbers 1801 – 1827 in the amount of \$67,354.65, for Board review and consideration of ratification and approval. Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Klein and, upon vote, unanimously carried, it was

**RESOLVED** to ratify approval of the claims in the amounts and for the check numbers listed above.

Financial Report: Ms. Janzen reviewed with the Board the unaudited Financial Statements for the period ending June 30, 2018. Ms. Janzen noted that current projections indicate that the operations and maintenance budget is tracking with budgeted expenditures, and the projection for utilities expense will be adjusted down to better reflect anticipated activity through year-end. Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Klein and, upon vote, unanimously carried, it was

**RESOLVED** to accept the unaudited Financial Statements for the period ending June 30, 2018, subject to revisions as discussed.

Public Hearing to Consider Amendment to 2018 Budget: Director Rappe opened the public hearing to consider amendment of the 2018 budget. Ms. Tinney noted

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that publication was made in a newspaper having general circulation within the District noting the date, time and location of today's public hearing. There were no written objections made prior to the hearing, and no members of the public present. There being no public present, the public portion of the hearing to amend the 2018 budget was closed.

Ms. Janzen and Ms. Tinney reviewed with the Board the proposed amendment to the 2018 budget, and the Resolution to Amend 2018 Budget.

Following review and discussion and, upon motion duly made by Director Klein, seconded by Director Holsapple and, upon vote, it was unanimously

**RESOLVED** to approve the Resolution to Amend 2018 Budget, subject to final revision as discussed.

Public Hearing to Consider Adoption of 2019 Budget: Director Rappe opened the public hearing to consider the proposed 2019 budget. Ms. Tinney noted that publication was made in a newspaper having general circulation within the District noting the date, time and location of today's public hearing. There were no written objections made prior to the hearing, and no members of the public present. There being no public present, the public portion of the budget hearing was closed.

Ms. Janzen and Ms. Tinney reviewed with the Board the proposed 2019 budget, including the proposed operations and maintenance detail and responded to questions from the Board. The District's budget by fund are as follows:

Operating Mill Levy: 24.322  
General Fund Expenditures: \$119,418

Debt Service Mill Levy: 19.900  
Debt Service Fund Expenditures: \$100,061

Following review and discussion and, upon motion duly made by Director Klein, seconded by Director Holsapple and, upon vote, it was unanimously

**RESOLVED** to approve the Resolution to Adopt the 2019 Budget, Certify the Mill Levies, Appropriate Budgeted Funds and approve all other documents related to adoption of the 2019 budget, subject to final revision as discussed. The District's Manager and Finance and Accounting Manager are authorized to make minor modifications necessary subject to receipt of the final certification of assessed valuation.

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MANAGEMENT  
MATTERS

Architectural/Covenant Control Committee Update: Ms. Tinney reviewed with the Board the Architectural/Covenant Violation Tracker noting that 28 properties were

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contacted concerning violations, and four ARC requests were reviewed and approved for the period April through September 15, 2018.

Following discussion, upon motion duly made by Director Klein, seconded by Director Holsapple and, upon vote, unanimously carried, the Board accepted the Architectural/Covenant Control Committee Update as presented.

2019 Operations and Maintenance Service Providers: Ms. Tinney presented to the Board a list of the proposed 2019 Operations and Maintenance Service Providers to include Integrity Lawn Professionals, Black Eagle Fence, E3 Signs, Fiske Electric, and Apex Paving. Following discussion, upon motion duly made by Director Klein, seconded by Director Holsapple, upon vote, unanimously carried, it was

**RESOLVED** to approve the 2019 Services Agreements with Integrity Lawn Professionals, Black Eagle Fence, E3 Signs, Fiske Electric, and Apex Paving, for 2019 services.

### LEGAL MATTERS

2019 Annual Administrative Matters Resolution: Ms. Early presented the 2019 Annual Administrative Matters Resolution, which sets forth certain annual administrative obligations to be performed in 2019 by the District or its designees and provides for the annual election of officers. Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Klein, and unanimously carried, it was

**RESOLVED** to approve the 2019 Annual Administrative Matters Resolution as presented.

2018 Subordinate Promissory Note (Capital Advances): Ms. Early informed the Board that the District's Subordinate Promissory Note, issued on January 1, 2018 to LC Home, Inc. for the repayment of capital costs advanced to the District, matures on December 31, 2018 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 Funding and Reimbursement Agreement dated February 1, 2006, the District must issue a new Subordinate Promissory Note to LC Home, Inc. with an effective date of January 1, 2019 and a maturity date of December 31, 2019, to refund the existing Subordinate Promissory Note. Upon motion duly made by Director Holsapple and seconded by Director Klein, it was unanimously

**RESOLVED** to approve the issuance of a new Subordinate Promissory Note to LC Home, Inc. for the repayment of capital costs advanced to the District, with an effective date of January 1, 2019 and a maturity date of December 31, 2019.

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2018 Subordinate Promissory Note (Operations & Maintenance): Ms. Early informed the Board that the District's Subordinate Promissory Note, issued on January 1, 2018 to LC Home, Inc. for the repayment of operations and maintenance costs advanced to the District, matures on December 31, 2018 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 Funding and Reimbursement Agreement dated February 1, 2006, the District must issue a new Subordinate Promissory Note to LC Home, Inc. with an effective date of January 1, 2019 and a maturity date of December 31, 2019, to refund the existing Subordinate Promissory Note. Upon motion duly made by Director Holsapple and seconded by Director Klein, it was unanimously

**RESOLVED** to approve the refunding of the Subordinate Promissory Note to LC Home, Inc for the repayment of operation and maintenance expenses advanced to the District, with an effective date of January 1, 2019 and a maturity date of December 31, 2019.

2018 Legislative Update: Ms. Early reviewed with the Board the Summary of 2018 Legislation.

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### DIRECTOR'S ITEMS

March 20, 2019 Regular Meeting: Director Holsapple noted that he will not be available to attend the March 20, 2019 Board meeting and requested Board consideration to move the meeting date to March 27, 2019. It was the Board's consensus to hold a special meeting on March 27, 2019.

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### OTHER BUSINESS

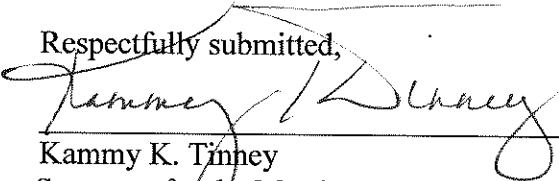
There was no other business brought before the Board for consideration.

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### ADJOURNMENT

Upon a motion by Director Holsapple, seconded by Director Klein, and unanimous vote, the meeting was adjourned at 11:02 a.m.

Respectfully submitted,

  
Kammy K. Tinney  
Secretary for the Meeting