

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Tuesday, January 10, 2017, at 1:00 p.m., 8455
Heritage Drive, Thornton, CO 80602

Attendance

The special meeting of the Board of Directors of the Heritage Todd Creek Metropolitan District was called and held as shown above in accordance with the statutes of the State of Colorado. The following Directors, having confirmed their qualifications to serve on the Board, were in attendance:

Byron Raynie, President
Phil Anderson, Vice President
Mark Zobel, Secretary
Dan Kettle, Treasurer
Rod Stone, Asst. Secretary

Also present were Barbara T. Vander Wall, Esq. and Cameron J. Richards, Esq., Seter & Vander Wall, P.C.; Diane Wheeler, Simmons & Wheeler, P.C.; Ross Dudley of CCMC, District Manager; Guy Ford of IDES, District Engineer; and members of the public.

Call to Order

Director Raynie noted a quorum of the Board was present and called the special meeting of the Board of Directors of the Heritage Todd Creek Metropolitan District to order at 1:02 p.m.

Approval of Minutes

The Board reviewed the minutes of the November 15, 2016, special meeting. Director Kettle requested a change to page 2 to reflect it was Todd Creek Village Metropolitan District that was raising rates, not the City of Thornton. Upon motion made, seconded and unanimously carried, the minutes of the November 15, 2016, special meeting were approved with the modification discussed.

Public Comment

Ms. Sue Thompson offered comment on behalf of the Neighborhood Advisory Committee ("NAC"). A number of homeowners had requested consideration be given to naming common areas or parks within the community, and she felt this

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was within the Board's purview. A map of common areas was distributed. Ms. Thompson volunteered the NAC to serve as subcommittee of the Board on this matter.

Mr. Dave Beauregard requested the Board consider adding park benches to some of the trails and common areas in the District. A proposal was distributed identifying possible locations.

The Board discussed the request to name parks or common areas and to place benches in certain locations. Upon motion made, seconded and approved, a special committee consisting of Director Kettle, Ms. Thompson, Mr. Beauregard, and Cindy Kettle was appointed to consider the naming of parks and placing of benches. The committee was requested to research the issues and provide recommendations to the Board at a subsequent meeting.

Mr. Mike Cheney offered comment regarding the storage location of the roll-off trailer used to stage four wheelers for snow removal, and concerns regarding its visibility.

Mr. Cheney also commented that he would like to see the clubhouse be a better neighbor. He raised concerns regarding the level of noise caused by early morning activities, such as leaf blowing and snow plowing.

The Board discussed the comments of Mr. Cheney. Director Stone noted that these are concerns which have been identified with the District's contractor. Other options for trailer location had been discussed, but there was no location yet identified that would not present the same issue to different homeowners. The current location was favorable for reasons of efficiency. The Board agreed to continue to look for resolutions to Mr. Cheney's concerns, but that there may not be better options at this time.

Annual Administrative Matters

Ms. Vander Wall discussed a number of administrative matters with the Board, which are generally addressed at the Board's first meeting of the year, in accordance with Colorado laws: Ms. Vander Wall asked the Directors to complete an affidavit, which she distributed to each Director, confirming the Directors' qualifications to serve on the Board.

Ms. Vander Wall asked the Directors to review the information provided to each Director by her firm, describing how to identify a conflict of interest, and the requirements under Colorado law for

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disclosure of such conflicts of interest by each Director. Ms. Vander Wall asked each Director to review the contents of the letter, and to identify all existing and potential conflicts of interest each Director may have in connection with serving as a member of the Board of the District, and to complete the attached disclosure forms to be returned to her office.

The Board reviewed and determined to continue to use its existing newspaper publication designated for publication of legal notices, identified as the *Northglenn-Thornton Sentinel*.

Next, the Board determined to use its 24-hour posting place as the clubhouse at 8455 Heritage Drive in Thornton, Colorado.

The Board determined that its meeting schedule will be the fourth Monday of the odd numbered months starting in January. The meetings will be held at 1:00 p.m. at the clubhouse located at 8455 Heritage Drive, Thornton, Colorado. Meeting notice posting locations at (1) the clubhouse; (2) the Quebec gate; and (3) the Yosemite gate.

The Board agreed to not make any changes to the officers as currently exist:

Byron Raynie, President
Phil Anderson, Vice President
Mark Zobel, Secretary
Dan Kettle, Treasurer
Rod Stone, Asst. Secretary

The Board reviewed the employment of its consultants, Seter & Vander Wall, P.C. serving as the District's legal counsel, Simmons & Wheeler P.C., serving as the District's accountant, and CCMC, serving as the District's administrator, and determined to renew its consultants for 2017.

Finally, the Board reviewed the proposed form of resolution presented by Ms. Vander Wall which memorializes the above determinations in addition to certain other administrative actions providing direction from the Board regarding actions to be taken by its consultants on the Board's behalf. Upon motion made by Director Stone, and second by Director Zobel, the Board unanimously approved the Resolution.

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Financial Matters /
Payment of Claims

Ms. Diane Wheeler, Simmons & Wheeler, presented financials for the months of October and November, 2016. December financials were not yet available. Ms. Wheeler reviewed the District's accounts and noted approximately \$775,000.00 is held in the District's general fund, and \$2.8 million is held in the debt service fund. Upon motion made, seconded and with unanimous approval, the Board accepted the October and November 2016 financials.

Ms. Wheeler presented to the Board, checks numbered 2256 through 2265 for approval and ratification totaling approximately \$32,000.00 for the period of November and December of 2016. Upon motion made, seconded and with unanimous approval, the Board approved and ratified the presented checks.

The Board discussed its inquiry into the use of District funds for financing the golf course facilities which are not District-owned property. Ms. Vander Wall reviewed with the Board the results of her research of various legal proceedings between 2008-2010, and concurred that they do not indicate the use of District funds for financing golf course improvements. Ms. Wheeler reported that she revisited the District's bond documents and related materials, and confirmed that the reports do not show that any District funds were used to finance the golf course. The final engineer report prepared by the District's prior engineer, Nolte and Associates, expressly excluded the golf course improvements from the engineer's report for bond financing. Ms. Wheeler explained the District's balance sheets, which reflect the portion of the financing which was funded through the District, and other funding that involved separate reimbursement for golf course expenses. Mr. Ford noted engineering records did not indicate any District funding was used to finance golf course improvements. After further discussion of the reports presented, the Board agreed not to take any further action on this item at this time.

Status Regarding Preliminary
Acceptance of Filings 8 & 9,
Block H, Landscaping,
Irrigation and Gates

Director Kettle reminded the Board that he had previously participated in a walk-through earlier in the fall, and that a punch list had been compiled. There were several areas where ownership of property was not clear between Lennar, the golf course, or an entity named 165 Howe LLC. These ownership issues will need to be addressed before District acceptance could be considered.

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Director Stone reported these concerns had been brought to the attention of Lennar, and that Lennar was working to resolve the issues. Additionally, Director Stone discussed ownership of the drainage under Quebec and a pond of water. The drainage would become the responsibility of Todd Creek Village Metropolitan District, not Heritage Todd Creek Metropolitan District.

Mr. Ford stated that Lennar has requested that he attend a meeting to go over the 12-point acceptance plan, review the District's platting, and discuss the disputed ownership issues. The Board agreed Mr. Ford should attend this meeting.

It was noted that Lennar is working on the various issues delaying acceptance, but preliminary acceptance is not ready at at this time.

Director Zobel asked about gates, stating that the Uinta gate is working, but the Quebec gate is problematic. Mr. Ford clarified that the gates have not been accepted by the District yet, and a warranty period will cover the gates for a period after acceptance. Director Zobel further inquired about the east side pedestrian gate not locking and 3 of 6 lights being out. Mr. Ford reported the lights were being replaced with LED, and the locks would be looked at.

Committee Reports:
- Engineering Committee

Directors Anderson and Kettle presented the engineering committee report. There were not many projects going on in the District at this time. The committee would like to start obtaining proposals for road repairs and other "big ticket" projects to be done in 2017. Director Kettle noted the mill overlay project on Heritage Drive alone was estimated at \$247,000.00. The committee is hopeful to have proposals for consideration at the next meeting.

Mr. Ford suggested Nancy Clanton, a lighting consultant, review lighting in the District. A proposal could be obtained for no cost. The Board agreed with obtaining a proposal from Ms. Clanton.

- Landscaping Committee:

Director Stone reviewed his work with Mr. Dudley and Lennar to address snow removal issues, particularly snow buildup in the cul-de-sacs. It was thought to be prohibitively expensive to remove snow from the District with trucks, but further

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investigation will be done. Common areas could be used to spread out snow and speed melting, but this may not be popular with the community at large. Discussions about pushing snow down Ulster Circle have been initiated with Adam Coates at Lennar and a meeting with Brightview will be held to consider these options.

Director Raynie requested a plan for mulch application be presented at the March meeting. The City has indicated the District may be ticketed if areas along N. Yosemite are not mulched.

- Budget Committee There was no report from the budget committee at this time.

- Interview Committee The interview committee report was deferred until later in the meeting.

Update regarding Street Light Director Raynie provided an update on his efforts to determine if Billing the District is responsible for the billing of 30 street lights along Yosemite which are located in unincorporated Adams County. The monthly bill is approximately \$500. The street lights along Ehler and Quebec are paid for by Adams County. Director Raynie identified a 2008 letter from the County in which the County noted preliminary acceptance of certain property, which potentially could include the street lights. Director Raynie reported that he has also discussed the issue with a County Commissioner and with the City of Thornton.

The Board directed legal counsel to pursue the issue and determine whether the County has accepted the streetlights at issue.

Engineers Report There was nothing further to report from the District engineer at this time.

District Manager's Report Mr. Dudley presented the District Manager's report. The Board was provided with a written report included in the meeting packet.

Director Zobel asked the Board to provide direction on changing the District's paperless billing process. After further discussion, the Board directed Mr. Dudley to prepare a letter to be signed by the Board, authorizing CCMC to stop sending paper receipts to residents who use automatic check withdrawals to pay their fees and to send an email instead.

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Mr. Dudley reported that the Yosemite gate is in the final stages of fabrication and should be ready for installation by the end of January.

The Board directed Mr. Dudley to update the website to reflect the new meeting schedule adopted earlier in the meeting.

Legal Status Report

Ms. Vander Wall directed the Board members to her written legal report included in the meeting materials.

Ms. Vander Wall discussed the issue of communications coming from Board members, noting that the Board speaks with one voice, rather than individual Board members. She stressed that communication from a Board member, even if offered in the capacity of private citizen, runs the risk of being interpreted as if it is the opinion of the Board, and needs Board approval. She reminded the Board that communications by email can constitute a public meeting, and that care is required when communicating by email.

Ms. Vander Wall reported the District's collection policy was last updated in January of 2016, and that there are some ambiguities that should be resolved regarding the implementation and calculation of charges. Similarly, the Board's resolution regarding fees is recommended to be revised to tailor some of the language more closely to the fees. Ms. Vander Wall distributed copies of the policy and solicited any input from the Board; she will work with CCMC and provide further revisions to the collections policy and fee resolution for discussion at the next meeting.

Other Business

Director Anderson inquired when the District 2016 audit would be completed. Ms. Wheeler noted the auditor would be engaged once the December financials were complete; the audit needed to be completed by the end of June, and submitted to the State by the end of July.

Director Anderson inquired about the District purchasing lights to decorate the gates during the holidays next year. Director Stone noted the landscaping committee is considering this already, as well as researching the possibility of retaining a company to install the holiday lights.

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Discussion was had on the issue of the construction gate and whether the developer was adhering to the terms of the easement agreement. Mr. Dudley has requested a written proposal from Mr. Lashnits at Lennar regarding construction gate management. The Board discussed whether a separate gate was needed, the risks of construction traffic using the main gates, and possible ways to mitigate risk.

Public Comment

Mr. Beauregard inquired if CCMC could have staff lock and unlock the gate. This was deemed impractical due to staffing hours.

Mr. Beauregard inquired who should be informed of landscaping issues around the perimeter of the development. Mr. Beauregard was informed issues could be brought to the attention of CCMC and they would handle notification of the appropriate party.

Ms. Thompson thanked the Board for considering the requests brought by the NAC.

Executive Session

The Board announced its intent to enter into executive session for the sole purpose of discussing negotiating positions regarding a consultant agreement, and to confer with the District's attorney on such matters pursuant to § 24-6-402(4)(b) & (e), C.R.S. Upon motion, second and unanimous vote, the Board entered executive session at approximately 4:15 p.m.

The Board returned from executive session and reconvened the public meeting at approximately 5:00 p.m. Director Raynie confirmed the executive session pursuant to §24-6-402(4)(b) & (e), C.R.S., had been held for purposes of discussing negotiating positions regarding a consultant agreement and to confer with District counsel on these matters. No formal action was taken during executive session, and no policy, position, resolution, rule or regulation had been adopted.

Interview Committee

Director Stone provided the report of the interview committee. Five qualified candidates had expressed interest in the position. Four were interviewed; one did not appear for a scheduled interview. The committee recommended appointing Mr. William Gomer to the Board, based on his background with engineering projects and representation from a newer part of the District to give voice to those neighborhoods.

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Director Zobel, noting the qualified pool of candidates announced he would vacate his seat on the Board effective 8:01 a.m. on January 11, 2017.

Election of New Board Member

The Board conducted an election by written ballot to fill the seat being vacated by Director Zobel. Candidate Bill Gomer received four votes, candidate Paul Ozanich received one vote. It was agreed to appoint Mr. Gomer be appointed to the open seat on the Board. The Board directed that Mr. Gomer be added to list of authorized signatories on District accounts.

Director Raynie agreed to contact all applicants for the Board seat. He also agreed to administer, as chair of the Board, the oath of office of Mr. Gomer, deliver the accompanying director documents for completion by Mr. Gomer, and provide legal counsel with the executed documents.

Adjournment

There being no further business to come before the Board, and upon motion duly made, seconded and unanimously carried, the meeting was adjourned at 5:15 p.m.



Secretary for the Meeting