

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Monday, July 24, 2017, at 1:00 p.m., 8455 Heritage
Drive, Thornton, CO 80602

Attendance

The regular 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:

Phil Anderson, Vice President
Dan Kettle, Treasurer
William Gomer, Secretary
Paul Ozanich, Asst. Secretary

Absent:

Rod Stone, President (absence excused).

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

[*Departed where indicated]

Call to Order

Director Anderson noted a quorum of the Board was present and called the regular meeting of the Board of Directors of the Heritage Todd Creek Metropolitan District to order at 1:00 p.m.

Conflict of Interest / Disclosure Matters

The Board had been previously advised that pursuant to Colorado law, certain disclosures by the Board members might be required prior to taking official action at the meeting. Legal counsel advised that written disclosures of the conflicts of interest for each Director had been filed with the Secretary of

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	State prior to the meeting.
	No additional conflict disclosures were announced.
Approval of Agenda	The Board agreed to modify the agenda to move the 2016 draft audit for discussion to the beginning of the meeting.
Presentation of 2016 Draft Audit	Ms. Wheeler presented the draft audit report for fiscal year 2016. She indicated that there may be a need to extend the deadline for filing of the audit to accommodate additional time for review by the auditor and legal counsel. Upon motion made, seconded, and by unanimous vote, the Board authorized the signing of request for an extension of the audit reporting deadline. By motion made, seconded and by unanimous vote the Board conditionally accepted the draft 2016 audit report subject to final review by auditor and legal counsel.
Approval of Minutes	The Board reviewed the minutes of the May 22, 2017, regular meeting. Director Anderson requested language on page 2 be changed to reflect additional construction access points along Yosemite that may be opened in the future. Director Ozanich requested a change to language on page 7 indicating that he attended the reserves presentation put on by CCMC. Upon motion duly made, seconded, and unanimously carried, the minutes of the May 22, 2017, regular meeting were approved with the noted changes.
Public Comments	No public comment was offered at this time.
Financial Matters	Ms. Wheeler presented financial statements through June 30, 2017, and a register of interim checks for ratification.
- Financial Reports and Payment of Claims	Ms. Wheeler asked the Board if the re-insertion of a column that showed overall debts versus assets would be helpful for review purposes, which would be termed "Adjustments." This information was previously included, but had been removed for the prior fiscal year based on Board direction. Upon motion made, seconded, and by unanimous approval, the Board agreed with the proposal to include the adjustments column in future financials. Ms. Wheeler reviewed the balance sheet with the Board. She does not anticipate a need to amend the budget. Upon motion made, seconded, and by unanimous vote, the Board accepted the financial reports as presented.

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Ms. Wheeler reviewed claims for payment incurred since the last meeting. An invoice recently received from IDES was added for approval. Other claims presented were for accounting services, legal services, and trustee fees related to the bonds. Upon motion made, seconded, and by unanimous vote the claims for payment were approved.

- Quarterly Disclosures The quarterly disclosure report was presented to the Board. Ms. Wheeler noted that the report is a part of the bond reporting requirements, which shows construction activity and certificates of occupancy issued in the last quarter. The report is provided to bond holders and demonstrates the progress of development in the community. The information is provided by Lennar, but requires Board signature. Upon motion made, seconded and by unanimous vote the Board approved and signed the quarterly disclosure.

Committee Reports

- Engineering Committee

Director Kettle presented the engineering committee report, including a written report distributed to the Board. In conjunction with Guy Ford, a spreadsheet identifying areas in need of road repair and maintenance has been created, which has been used to prioritize repairs for this year and will be used to assess what projects are necessary in the future for both maintenance and budgeting purposes.

Martin Marietta has commenced work on the portions identified for repair and maintenance this year. The committee appreciates the efforts to notify residents of how work will impact them and ensuring cars are moved so road work can be done.

The committee has discussed alternative options to seal coating with Jim Morse' company. A product called Reclamite has been recommended that may help extend road life and is cost effective. The committee would like permission to pursue a contract with Mr. Morse and change orders with Martin Marietta if necessary. Upon motion made, seconded, and by unanimous vote, the engineering committee was authorized to pursue a contract for Reclamite application for an amount not to exceed \$50,000 in lieu of seal coating presently contemplated by Martin Marietta, if deemed appropriate in the committee's discretion.

Director Ozanich inquired if Verbena Street would be addressed as there are several large cracks. Director Kettle clarified that

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Verbena Street would be crack sealed.

- Landscaping
Committee

Director Gomer asked DJ Hubbell of CCMC to present a report and update related to landscaping matters. Mr. Hubbell reported that the corrective work required by the City of Thornton along Highway 7, Yosemite and Ehler has been completed. This includes the removal of 126 trees, fixing drip lines, grinding stumps, removing dead plants, and replacing mulch. This work was part of the contract with Brightview for corrective work; it was noted that Lennar has agreed to contribute funds towards this work.

Additionally, the landscaping tract in Tract C, along the northwest edge of the District, has been mowed as requested by Thornton. Director Anderson reported that Lennar has agreed to keep up with mowing in Tract C while buildout in that portion of the District continues.

The City has thanked the District for its prompt attention to the landscaping issues.

The Board thanked Mr. Hubbell for his work on these projects.

Director Anderson clarified which of the areas involved have been turned over to, and accepted by, the District. The District turnover process is designed to ensure the District does not take ownership of property that will immediately need expensive corrective work.

- Budget Committee

Director Anderson noted the budget process has not yet started. The final assessed valuation of the District should be ready in August. A draft budget will be provided to the Board by October 15.

- Special Committee on
Park Benches

Ms. Sue Thompson presented the report of the special committee, including a written report which was provided to the Board. Ms. Thompson reviewed the process and actions taken to date. The committee has identified five common areas that will be named after either Colorado mountains or wildflowers. Thirteen potential bench locations have been identified, none of these locations have been turned over to the District. The committee does not intend to place thirteen benches unless sufficient funds are raised. A type and design of bench has been identified, and discussions with Brightview about location and

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installation have begun. A quote for installation is expected shortly.

The project is expected to be funded through donations from the public. The committee is recommending a plaque board or recognition board be hung in an appropriate location in the clubhouse to recognize those who contribute to the project; this would also avoid having any names placed on the actual benches.

Ms. Vander Wall reported there was no legal impediment to the District soliciting private donations to fund the public project, so long as the project was for a public purpose consistent with the District's purposes.

Director Ozanich inquired about the cost of a bench. Ms. Thompson reported the benches are approximately \$1,500 each. Director Anderson inquired about maintenance. Ms. Thompson reported the benches have a 10-year warranty, and maintenance was expected to be low once installed. Director Anderson commented he'd like to have another public comment period once locations become finalized so homeowners near the locations can provide feedback and comment.

Director Anderson reminded the Board that the original premise of the project was to be zero cost to the District, and the District has already expended some funds on legal expenses; additional costs could arise including legal, title, insurance, or maintenance. Director Ozanich stated these costs should be included as soft costs in figuring out how much a bench actually costs.

Director Anderson wants to know who is collecting money, coordinating construction contracts, buying benches, paying contractors, etc. He stated his preference that some other entity besides the District, be it the HOA or anyone else, take on those responsibilities and convey a fully installed bench to the District. Ms. Thompson stated that it was her impression that the District would take on this role. Director Gomer stated he was not opposed to someone else handling the administrative aspects, but also not opposed to the District doing so.

[*Guy Ford departed at this time.]

A motion was made and seconded, and by unanimous vote the

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committee was authorized to move forward with developing a cost analysis for a fully installed “turn-key” bench, to approach the HOA to administratively handle the project with the assurance the District would accept the benches upon completion/installation.

Engineer’s Report

Mr. Reed with IDES presented the Engineer’s Report. The largest ongoing project is the road work by Martin Marietta. A written summary of work being performed was presented. Projects identified in Area 1 are moving ahead. Work is progressing smoothly with minimal disruption. Martin Marietta is scheduled to start seal coating on August 7, there will be a 24 hour “no driving” cure time. If the District wants to pursue Reclamite instead of seal coating a decision will need to be made soon so as not to disrupt the schedule for crack filling. Crack filling is performed before seal coating, but is done after Reclamite application.

District Managers Report

Mr. Dudley presented the District Manager’s report, including a written report which was provided to the Board. Thornton has recently tested the District’s fire hydrants; all passed. The gates are operating well, but Lennar has been notified of some lighting issues at the Uinta gate. Irrigation is running well. Two street lights in the community are scheduled for repair. The nearby Talon View development has been taken over by DR Horton. The District’s detention ponds are functioning well. Residents have been using the area by the model homes for bocce ball.

Legal Status Report

Ms. Vander Wall presented the legal status report, including a written report which was provided to the Board. The Yosemite Street bridge and pedestrian path improvements are in process. Pursuant to a contract with Lennar, Martin and Martin is evaluating possible changes needed. Once completed, it is expected that Adams County will then accept the roadway bridge and pedestrian bridge along with the southbound Yosemite lanes. These improvements were originally constructed several years ago, but for some reason acceptance by the County was never finalized.

The Yosemite Street lights remain an open issue. At this time it is unlikely the County will accept the streetlights when it accepts the southbound lanes of Yosemite. It appears those lights were funded through District bonds and that the District has responsibility for the lights. Legal counsel may continue to

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pursue the matter but recommends delaying any action pending the completion of the other Yosemite Street repairs so that those improvements may first be accepted by the County.

Ms. Vander Wall presented draft open space rules for discussion. The Board requested time to review the draft and will submit comments in advance of the next meeting.

Mr. Richards updated the temporary construction access issues. It appears Lennar is no longer using the Ehler temporary access, Mr. Richards is following up with Lennar to complete restoration work, schedule a walk through and terminate the easement and escrow agreement. The District could pursue repairs using the escrow funds, but would prefer to work with Lennar at this time.

Additional access easements will be needed on Yosemite and Quebec. Mr. Richards has prepared documentation similar to what was used on Ehler. Director Kettle suggested the escrow amount be increased to \$20,000 as the repairs for that entrance may be more extensive. Mr. Richards will continue follow up and communicate with Lennar.

Old Business

- Traffic Control Update

Director Gomer reviewed his investigation into traffic control issues in the District. A number of roads, particularly Heritage Drive, Rosemary, and Uinta, appear to be susceptible to vehicles, both contractors and District residents, travelling above the posted speed limits. Director Gomer has discussed concerns with Lennar, and Lennar is willing to help partner in a solution. Director Gomer presented three possible solutions: 1) temporary speed bumps that could be removed for winter plowing; 2) permanent speed 'humps' that would not interfere with snow removal activities; and, 3) additional signage, possibly including radar monitoring. Director Gomer suggested a radar trailer could be parked by the Ehler gate as well.

Lennar has offered to provide three pairs of signs (six total) that are solar powered and incorporate radar to show a vehicles speed. The Board thinks these may help. Director Gomer was asked to approach Lennar about purchasing up to eight signs to be placed by the entrances to the District (each end of Heritage Drive, and on Uinta) and along Rosemary, as these seem to be the most problematic areas. Director Gomer will provide further information at the next meeting.


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New Business No new business was brought before the Board.

Public Comment No additional public comment was offered.

Other Business No other business was brought before the Board.

Adjournment There being no further business to come before the Board, the meeting was adjourned at 4:45 P.M. The next regular meeting of the Board is scheduled for September 25, 2017.


Secretary for the Meeting
