

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF LOVELAND MIDTOWN METROPOLITAN DISTRICT HELD October 29, 2020

The Board of Directors (the "Board") of the Loveland Midtown Metropolitan District, ("District") held a special meeting, open to the public, via Zoom/Telephone conference; at 10:30 a.m. on Thursday, October 29, 2020. Notice of the meeting was duly posted on the District's website at <http://www.lovelandmidtownmetrodistrict.com/>.

Due to the State of Emergency declared by Governor Polis and the threat to health and safety posed by the COVID-19 pandemic, this meeting was held vis MS Teams and teleconference.

ATTENDANCE

Directors in Attendance:

Blaine Rappe, President
Eric Holsapple, Vice President
Chris Johnston, Assistant Secretary/Treasurer

Directors Absent but Excused:

Nathan Klein, Secretary/Treasurer

Also in Attendance:

Deborah Early, Esq.; Icenogle Seaver Pogue, P.C.
Crystal Clemens, Molly Janzen; Andrew Kunkel, Doug Campbell; Pinnacle Consulting Group, Inc.

CALL TO ORDER

The meeting was called to order at 10:34 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, Johnston, 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.

RECORD OF PROCEEDINGS

APPROVAL OF AGENDA

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

RESOLVED to approve the agenda, as presented.

APPROVAL OF MINUTES

The Board reviewed the minutes of the June 3, 2020 special meeting. Following review, upon motion duly made by Director Holsapple, seconded by Director Johnston and, upon vote, unanimously carried, it was,

RESOLVED to approve the minutes of the June 3, 2020 special meeting, as presented.

PUBLIC COMMENT ON NON-AGENDA ITEMS

There were no members of the public in attendance.

FINANCIAL MATTERS

Claims Presented for Payment: Ms. Janzen reviewed with the Board the payables listing dated May 27, 2020 through October 21, 2020, totaling \$124,560.92. Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Johnston and, upon vote, unanimously carried, it was,

RESOLVED to ratify approval of the claims presented for payments made in the total amount noted above.

Financial Report: Ms. Janzen reviewed with the Board the unaudited financial statements for the period ending June 30, 2020. Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Johnston and, upon vote, unanimously carried, it was,

RESOLVED to accept the unaudited Financial Statements for the period ending June 30, 2020.

2020 BUDGET AMENDMENT

2020 Budget Amendment: Director Rappe opened the public hearing to consider amendment of the 2020 budget. Ms. Clemens 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 hearing to amend the 2020 budget was closed.

Ms. Janzen reviewed with the Board the proposed amendment to the 2020 budget, and the Resolution to Amend 2020 Budget. Following review and discussion and,

RECORD OF PROCEEDINGS

upon motion duly made by Director Holsapple, seconded by Director Johnston and, upon vote, unanimously carried, it was

RESOLVED to approve the Resolution to Amend the 2020 Budget, subject to final revision as discussed to include additional appropriation of \$7,424 to cover the projected actual costs of utilities.

2021 BUDGET

2021 Budget: Director Rappe opened the public hearing to consider the proposed 2021 budget. Ms. Clemens 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 reviewed with the Board the proposed 2021 budget and answered questions. Director Holsapple requested the 2021 budget to be updated to reflect the following changes: reduce legal expenses to \$7,000, include a \$20,000 developer advance payment, and reduce the utilities line item. The District's budgets by fund are as follows:

Operating Mill Levy: 24.492
General Fund Expenditures: \$152,023
Debt Service Mill Levy: 20.039
Debt Service Fund Expenditures: \$110,699

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

RESOLVED to approve the Resolution to Adopt the 2021 Budget, Certify the Mill Levies, Appropriate Budgeted Funds and approve all other documents related to adoption of the 2021 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.

MANAGEMENT MATTERS

District Manager's Report: Ms. Clemens presented the manager's report to the Board and answered questions.

Covenant Enforcement and Fine Policy: Ms. Clemens reviewed with the Board the covenant enforcement and fine policy noting that the resident of 1903 Sagittarius Drive was contacted concerning violations and that the issues regarding violations on the property are ongoing. The consensus of the Board was to direct Ms. Early

RECORD OF PROCEEDINGS

to draft a violation letter to the resident that includes timelines for correction and the potential for foreclosure as a final outcome.

2020 Contract Modifications: Ms. Clemens presented the contract modifications for 2020 to the Board and answered questions. Following review and discussion and, upon motion duly made by Director Holsapple, seconded by Director Rappe and, upon vote, unanimously carried, it was

RESOLVED to approve the 2020 Contract Modifications, as presented.

2021 Operations and Maintenance Agreements: Ms. Clemens discussed the following contracts with the Board.

- i. Black Eagle Fencing
- ii. Amans Painting
- iii. Integrity Lawn Service
- iv. Fiske Electric

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

RESOLVED to approve the 2021 Operations and Maintenance Agreements, as presented.

LEGAL MATTERS

2021 Annual Administrative Matters Resolution: Ms. Early presented to the Board the 2021 Annual Administrative Matters Resolution, which sets forth certain annual administrative obligations to be performed in 2021 by the District or its designees and provides for the annual election of officers. Following review and discussion and, upon motion duly made by Director Holsapple, seconded by Director Johnston and, upon vote, unanimously carried, it was

RESOLVED to approve the 2021 Annual Administrative Matters Resolution, as presented.

Refund 2020 Subordinate Promissory Note and Issue a 2021 Subordinate Promissory Note to LC Home, Inc. for the Repayment of Capital Advances: Ms. Early reviewed with the board refunding the 2020 subordinate promissory note and the issuance of a 2021 subordinate promissory note for the repayment of capital advances with the Board and answered questions. Following review and discussion and, upon motion duly made by Director Holsapple, seconded by Director Johnston and, upon vote, unanimously carried, it was

RECORD OF PROCEEDINGS

RESOLVED to approve refunding the 2020 Subordinate Promissory Note and to issue a 2021 Subordinate Promissory Note to LC Home, Inc. for the repayment of Capital Advances.

Refund 2020 Subordinate Promissory Note and Issue a 2021 Subordinate Promissory Note to LC Home, Inc. for the Repayment of Operation and Maintenance Advances: Ms. Early reviewed with the board refunding the 2020 subordinate promissory note and the issuance of a 2021 subordinate promissory note for the repayment of operation and maintenance advances with the Board and answered questions. Following review and discussion and, upon motion duly made by Director Holsapple, seconded by Director Johnston and, upon vote, unanimously carried, it was

RESOLVED to approve refunding the 2020 Subordinate Promissory Note and to issue a 2021 Subordinate Promissory Note to LC Home, Inc. for the repayment of Operation and Maintenance Advances.

DIRECTOR'S
ITEMS

There were no director's items presented to the Board for consideration.

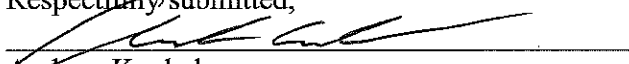
OTHER BUSINESS

There were no other business items presented to the Board for consideration.

ADJOURNMENT

Upon a motion by Director Holsapple, seconded by Director Johnston, and unanimous vote, the meeting was adjourned at 11:31 a.m.

Respectfully submitted,



Andrew Kunkel

Secretary for the Meeting