

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF LOVELAND MIDTOWN METROPOLITAN DISTRICT HELD September 22, 2021

The Board of Directors (collectively, “Board”) of the Loveland Midtown Metropolitan District, (“District”) held a special meeting, open to the public, via Zoom/Telephone conference; at 10:00 a.m. on Wednesday, September 22, 2021. Notice of the meeting was duly posted on the District’s website at <http://www.lovelandmidtownmetrodistrict.com>.

ATTENDANCE

Directors in Attendance:

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

Also in Attendance:

Deborah Early, Esq.; Icenogle Seaver Pogue, P.C.
Carla Hawkins, Molly Janzen, Andrew Kunkel, Dillon Gamber, and Doug Campbell; Pinnacle Consulting Group, Inc.
Julia Penland and Jeff Mere; Residents

CALL TO ORDER

The meeting was called to order at 10:04 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 all Board Members were filed with the Office of the Colorado Secretary of State. 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

The Board considered the agenda. Upon motion duly made by Director Holsapple, seconded by Director Johnston, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as presented.

RECORD OF PROCEEDINGS

APPROVAL OF MINUTES

The Board reviewed the minutes of the March 22, 2021 special meeting. Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Klein, and upon vote, unanimously carried, it was

RESOLVED to approve the minutes of the March 22, 2021 special meeting, as presented.

APPOINTMENTS TO FILL BOARD VACANCIES

Ms. Early addressed the Board and provided an overview of the process for appointing interested candidates to the Board noting there are two interested candidates to fill one vacancy on the Board. The Board reviewed the letters of interest submitted by each of the candidates and each candidate provided supplementary background information to the Board. Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Klein, and upon vote, unanimously carried, it was

RESOLVED to appoint Jeff Mere to the Board of Directors to fill the term expiring May 2022. Ms. Penland was encouraged to consider running for a seat during the May 2022 regular election.

Ms. Early stated that newly appointed Director Mere will be eligible to act as a Board member once an Oath of Office is taken and filed with the State of Colorado. Stacie Pacheco, paralegal with Icenogle Seaver Pogue, will provide the Oath of Office and will work directly with Mr. Mere to administer and file the Oath of Office.

PUBLIC COMMENT ON NON-AGENDA ITEMS

There were no comments made by members of the public.

FINANCIAL MATTERS

Claims Presented for Payment: Ms. Janzen reviewed with the Board the payables listing dated March 13, 2021 through September 15, 2021, totaling \$116,667.12. 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 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 periods ended December 31, 2020 and June 30, 2021 and answered questions. Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Klein, and upon vote, unanimously carried, it was

RECORD OF PROCEEDINGS

RESOLVED to accept the unaudited Financial Statements for the periods ended December 31, 2020 and June 30, 2021, as presented.

2021 BUDGET
AMENDMENT

2021 Budget Amendment Hearing: Director Rappe opened the public hearing to consider amendment of the 2021 budget. Ms. Hawkins 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 provided comment. There being no public comment, the public portion of the hearing to amend the 2021 budget was closed.

Ms. Janzen reviewed with the Board the proposed amendment to the 2021 Budget. Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Johnston, and upon vote, unanimously carried, it was

RESOLVED to approve the Amended the 2021 Budget and adopt a 2021 Budget Amendment Resolution, as presented.

FINANCIAL
MATTERS
CONTINUED

Bond Discussion: Ms. Early and Ms. Janzen discussed the possibility of refinancing the District's existing bonds and answered the Board member's questions. The consensus of the Board was to direct Pinnacle staff to contact the existing bondholders and gauge their interest on pursuing refunding of the current bonds to provide an annual reduction in debt service and potential additional paydown on the capital note.

2022 BUDGET

2022 Budget Hearing: Director Rappe opened the public hearing to consider the proposed 2022 budget. Ms. Hawkins 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 provided comment. There being no public comment, the public portion of the budget hearing was closed.

Ms. Janzen reviewed with the Board the proposed 2022 budget and answered questions. Upon review of the income and expenses, Director Holsapple requested the 2022 budget be updated to set the developer advance repayment at \$10,000 in 2022. The District's budgets by fund are as follows:

Operating Mill Levy: 24.492
General Fund Expenditures: \$155,880
Debt Service Mill Levy: 20.039
Debt Service Fund Expenditures: \$119,607

RECORD OF PROCEEDINGS

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

RESOLVED to approve the Resolution to Adopt the 2022 Budget, Certify the Mill Levies, Appropriate Budgeted Funds and approve all other documents related to adoption of the 2022 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 from Larimer County.

At this point in the meeting, Director Holsapple left the meeting.

MANAGEMENT MATTERS

Manager's Report: Ms. Hawkins provided a verbal update and answered questions.

Covenant Enforcement Discussion: Ms. Hawkins commented there are still active covenant violations at 1903 Sagittarius Drive and the violations on the property are ongoing. Ms. Hawkins turned the discussion over to Ms. Early to present an amendment to the Covenant Enforcement Policy.

Second Amendment to Amended and Restated Covenant Enforcement Policy for Violations of the Declaration of Protective Covenants of Boise Village North: Ms. Early reviewed the Second Amendment to Amended and Restated Covenant Enforcement Policy for Violations of the Declaration of Protective Covenants of Boise Village North with the Board. This amendment is needed to address language contained in the covenants that is determined to be unenforceable or conflicts with the Constitution, specifically with issues regarding signage/flag content and free speech matters. Following review and discussion, upon motion duly made by Director Klein, seconded by Director Johnston, and upon vote, unanimously carried, it was

RESOLVED to approve the Second Amendment to Amended and Restated Covenant Enforcement Policy for Violations of the Declaration of Protective Covenants of Boise Village North, as amended to include language directing management to seek direction from legal counsel regarding covenant violations of a concerning nature. It was,

FURTHER RESOLVED, to direct Ms. Early to send a covenant violation letter to the owner of 1903 Sagittarius Drive, upon District Management providing photos and a current list of violations to legal counsel and, if there is no resolution, legal counsel has approval to proceed with filing a Covenant violation lien against the property.

Contract Modifications Report: Ms. Hawkins reviewed the 2021 Contracts Modification Report with the Board and answered questions. Following review

RECORD OF PROCEEDINGS

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

RESOLVED to approve the 2021 Contract Modifications Report, as presented.

2022 Operations and Maintenance Agreements: Ms. Hawkins proposed the following service contracts for 2022 Operations and Maintenance with the Board.

- i. Wood Revival
- ii. Black Eagle Fencing
- iii. Amans Painting
- iv. Integrity Lawn Service
- v. Fiske Electric
- vi. Affordable Pest Control

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

RESOLVED to approve the 2022 Service Contracts, as presented above.

LEGAL MATTERS

2022 Annual Administrative Matters Resolution: Ms. Early presented to the Board the 2022 Annual Administrative Matters Resolution, which sets forth certain annual administrative obligations to be performed in 2022 including an election by the District or its designees, Icenogle Seaver & Pogue P.C., and Pinnacle Consulting Group, Inc. Following review and discussion, upon motion duly made by Director Klein, seconded by Director Rappe, and upon vote, unanimously carried, it was

RESOLVED to approve the 2022 Annual Administrative Matters Resolution, as presented and to continue conducting Board meetings bi-annually on the third Wednesday in March and September at 10:00 A.M.

Refund 2021 Subordinate Promissory Note and Issue a 2022 Subordinate Promissory Note to LC Home, Inc. for the Repayment of Capital Advances and Refund 2021 Subordinate Promissory Note and Issue a 2022 Subordinate Promissory Note to LC Home, Inc. for Repayment of Operation and Maintenance Advances: Ms. Early reported that the Board considers approval of refunding the subordinate promissory notes for both Capital and O & M Advances on an annual basis. The Reimbursement Agreement for these notes can be amended to become a 40 year term effective January 1, 2022 through January 1, 2046 and discharged at the end of that term. Following review and further discussion, upon motion duly made by Director Klein, seconded by Director Rappe, and upon vote, unanimously carried, it was

RECORD OF PROCEEDINGS

RESOLVED to approve the Amendment to the Capital and O & M Reimbursement Agreements refunding the 2021 Subordinate Promissory Note and issuing a new Promissory Note to LC Home, Inc. for the repayment of Capital and O & M Advances with an effective 40 year term of January 1, 2022 through January 1, 2046.

Fourth Amended and Restated Meeting Resolution: Ms. Early presented to the Board the Fourth Amended and Restated Meeting Resolution. The consensus of the Board was to utilize a hybrid meeting option allowing for both in person and virtual Board meetings going forward. Upon motion duly made by Director Klein, seconded by Director Johnston, and upon vote, unanimously carried, it was

RESOLVED to approve the Fourth Amended and Restated Meeting Resolution, as presented.

May 3, 2022 Regular Election Resolution: Ms. Early presented to the Board the Election Resolution calling the May 3, 2022 Regular Election. The consensus of the Board was to send notices for regular elections via email and physical mail, and to post notices to the District's website and to mailboxes located within the District. Upon motion duly made by Director Klein, seconded by Director Johnston, and upon vote, unanimously carried, it was

RESOLVED to approve the Election Resolution, as presented.

DIRECTOR'S
ITEMS

There were no Director's Items presented to the Board for consideration.


OTHER BUSINESS

There was no Other Business items presented to the Board for consideration.

ADJOURNMENT

Upon a motion by Director Rappe, seconded by Director Klein, and upon unanimous vote, the meeting was adjourned at 11:44 a.m.

Respectfully submitted,



Andrew Kunkel,
Secretary for the Meeting