

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Monday, January 22, 2018 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:

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

Also present were Barbara Vander Wall, Esq., and Cameron J. Richards, Esq., Seter & Vander Wall, P.C.; Georgia Harland*, Simmons & Wheeler, P.C.; Ross Dudley, CCMC, District Manager.

[*Departed where indicated.]

Call to Order

Director Stone 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 State prior to the meeting.

No additional conflict disclosures were announced.

Approval of Agenda

Upon motion duly made, seconded, and by unanimous vote the agenda was approved.

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- Approval of Minutes The Board reviewed the minutes of the November 27, 2017 regular meeting. Upon motion duly made, seconded and unanimously carried, the minutes were approved as presented.
- Public Comment No public comment was offered 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.
- Director Qualification Affidavit 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.

 - Disclosure and Conflicts of Interest 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 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.

 - Annual Administrative Resolution Ms. Vander Wall presented the annual administrative resolution for discussion.

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 confirmed the existing officers of the Board:

Rod Stone, President

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

The Board reviewed the engagement 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, IDES, serving as the District's engineer, and CCMC, serving as the District's administrator, and determined to renew its consultants for 2018.

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 Anderson, and second by Director Ozanich, the Board unanimously approved the Resolution.

Financial Matters

- Financial Reports and Payment of Claims

Ms. Harland presented financial statements through December 31, 2017, and a schedule of claims to be approved for payment.

Total claims for approval were \$192,909.69. The retainage payment to Martin Marietta for the road work contract will be held until the notice and publication requirements for final payment have been made. Upon motion duly made, seconded and unanimously carried, the Board approved the payment of claims.

The District's financial statement dated December 31, 2017 was reviewed. Revenues had exceeded budgeted projections, and expenses were under budget. The specific line items of landscaping and snow removal exceeded the budgeted amounts. The District made the required debt service payments on December 1. Director Anderson noted the debt service fund showed a balance in excess of \$1,600,000; the majority of that amount is required reserves.

Upon motion duly made, seconded and unanimously carried, the financial statement was accepted as presented.

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- Engagement of Watson Coon & Associates

Ms. Harland presented an engagement letter from Watson Coon & Associates to prepare the 2017 audit, for the amount not to exceed \$4,600. Upon motion duly made, seconded and unanimously carried, the Board approved the engagement of Watson Coon & Associates.

[*Ms. Harland departed at this time]

Committee Reports

- Engineering Committee

Directors Kettle and Anderson presented the engineering committee report.

A number of District roadways will be ready for final acceptance on April 20, 2018. A walk-through will be scheduled with Lennar likely in March to review the roadways and to develop a punch list of outstanding warranty items prior to final acceptance

Directors Kettle and Anderson have met with Jim Moorse and discussed application of reclamite to District roadways. It was noted that reclamite can extend the time before mill and overlay work is needed. Approximately 86,000 square yards of roadway will need treatment. The committee budgeted for this expense in 2018, along with crack fill, additional concrete work, and mill and overlay of Xenia Court. The committee requested consent from the Board to move forward with preparing a scope of work, bidding, and entering into a contract for the application of reclamite. Upon motion duly made, seconded, and unanimously carried, the Board approved the committee's recommendation and agreed to proceed with preparing and entering into a contract with Mr. Moorse's company for reclamite application.

- Landscape Committee
- Budget committee
- Special Committee (Park Bench)

Director Gomer noted items related to landscaping would be discussed under the agenda item update on January 18, 2018 Meeting.

No report was presented at this time.

No report was presented at this time. Additional items were deferred for discussion under the attorney's report.

Engineer Report

No report was presented at this time.

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District Manager Report

Mr. Dudley presented the manager's report including a written report which was provided to the Board.

A new contractor, Amazing Gates, has been contracted by Lennar to address gate access issues. So far things appear to be working well, and Mr. Hubbell is coordinating with the contractor. Director Kettle asked if Western Access Controls was still contracted to help with the Yosemite Gate; Mr. Dudley confirmed they were. Director Kettle wanted to assure that the District does not incur unnecessary costs.

Mr. Dudley reported on positive feedback received from community members regarding the holiday lights.

BrightView has suggested winter watering be performed due to the lack of moisture this season. Mr. Dudley will check to see if, after the recent snow fall, the service is still warranted. There has not been much snowplowing necessary to date.

The street light at Rosemary and Heritage has been replaced under warranty.

Legal Status Report

Ms. Vander Wall presented the legal status report, including a written report that was presented to the Board.

Ms. Vander Wall discussed the 2018 election with the Board. The seats of Directors Kettle and Stone will be up for election in May. Additionally, Directors Gomer and Ozanich will be required to run for election for the remainder of their terms. Directors may complete self-nomination forms, and, in the event there are not more candidates than seats available, the election may be cancelled. An election resolution will be prepared if the election is necessary.

Ms. Vander Wall presented final revisions to Exhibit B of the District's fee and collection policies with an effective date of January 1, 2018. She noted that the Board had previously approved a revised Exhibit B, but some additional revisions had been made following discussion with District management. Upon motion made, seconded and by unanimous vote, the revised Exhibit B was approved.

The Board asked Ms. Vander Wall to discuss the ongoing Yosemite Street bridge project. Residents have expressed concern that the pedestrian bridge remains closed. Ms. Vander

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Wall noted the bridge work is being performed by Lennar, and based on recommendations provided by Martin and Martin. Adams County is responsible for approving the work. The District continues to monitor the project but is not directly involved.

- Landscaping
Dedication and
Acceptance

Mr. Richards reviewed the status of the District's acceptance of landscaping tracts from Lennar. A revised resolution regarding conditional preliminary acceptance of landscaping tracts was presented. At the November 27, 2017 meeting, the Board granted preliminary acceptance of those tracts subject to verification of the completion of the following conditions:

1. Completion of all 12 step approval items, or District waiver of any such item;
2. Transfer of title to all landscaped areas not presently owned by the District and mutually agreed to be turned over to District ownership;
3. Reaching final agreement between District and Lennar on cost sharing maintenance agreement;
4. Completion of final repairs in Filing No. 1, Amendment No. 3, Tract 2E.

The revised resolution memorialized the agreement and provided that upon verification of completion of all conditions, the preliminary acceptance would be effective November 27, 2017. Upon motion made, seconded, and unanimously carried, the Board approved the resolution as presented.

Mr. Richards informed the Board that the City of Thornton has advised that it is not inspecting or issuing local jurisdictional acceptance paperwork for landscaping tracts within the District, only those on the perimeter. Accordingly, legal counsel recommended waiving that requirement of the 12-step process for internal tracts that had been preliminarily accepted. Upon motion made, seconded and unanimously carried, the Board agreed to waive documentation of local jurisdictional acceptance for internal tracts preliminarily accepted.

Director Stone worked with Metco to obtain a proposed scope of work for maintenance of the landscaping tracts under preliminary acceptance. The cost is approximately \$69,000 per year for basic services, with additional services to be performed at set prices upon the District's request. Per the warranty agreement with Lennar, the District will pay the entire cost, and

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Lennar will reimburse the District for 50% of the cost. A new District contract will need to be prepared. Upon motion made, seconded, and unanimously carried, the Board approved entering into a landscape maintenance contract with Metco for the preliminarily accepted tracts.

- Review of January 18, 2018 meeting between District and Lennar

Director Stone reviewed a January 18, 2018 meeting that was attended by himself, Director Gomer, Mr. Richards, and representatives of Lennar to discuss the dedication and acceptance process as well as additional issues involving the developer and the District. Maps were provided to the Board for reference. A number of items were presented for Board discussion and action.

Director Stone reviewed a number of small tracts of land that are currently owned by Golf Acquisition, and a number of others by the District. To ensure consistent appearance throughout the community, he recommended the District accept ownership of certain tracts. Areas that had been landscaped were recommended for District ownership. The golf course will prepare platting amendments and other documents necessary for conveyance.

The District agreed to accept the following areas:

1. A part of Tract 8G10, between 8157 and 8167 E. 149th Place;
2. A part of Tract 8G9, between 7731 and 7751 E. 148th Drive;
3. A part of Tract 8G10, between 7692 and 7712 E. 151st Place;
4. A part of Tract 3G13, located north of Heritage Drive and between E. 152nd Drive and Heritage Circle, including irrigation control boxes;
5. A part of Tract 2G11, located south of Heritage Drive and west of the intersection with Rosemary Street, lying behind 15155 and 15145 Rosemary Street;
6. A part of Tract 3G13, immediately east of the intersection of Heritage Drive and Roslyn Street;
7. A part of Tract 2G12, immediately west of the intersection of Heritage Drive and Roslyn Street;
8. A part of Tract 3G13, between 15250 and 15266 Roslyn Street;
9. A part of Filing No. 2, Tract B, identified as those areas actually landscaped and west of the installed fence to

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include the entrance monuments.

Additional tracts will be considered in the future as necessary.

Legal counsel clarified that accepting ownership of the tracts did not remove Lennar's obligation to construct public improvements or infrastructure as required by the development and dedication agreements; improvements were accepted through the dedication and acceptance process. Before improvements on any tract were accepted the 12-step process would have to be completed.

Upon motion made, seconded and unanimously carried, the Board approved accepting ownership of the identified tracts subject to provision of final conveyance documents.

Director Stone next discussed ownership and maintenance responsibilities in Filing No. 1, Amendment No. 3, Tracts 2C and 2F, in the northwest corner of the District. These tracts have been platted in the name of the District. Drainage infrastructure has been accepted by the Urban Drainage and Flood Control District; it is unknown as to what impact this will have on District maintenance. The tracts were not ready for dedication at this time, but will be discussed in the spring.

Lennar is planning to add wrought iron fencing in Tract 2F as current fencing does not extend very far into the tract. The full extent of the fencing plan is unknown at this time, but more information will be provided in the future by Lennar. Additional fencing in the north of the District will be discussed. There are some easements in Tracts K, W, 2C and 2F for the Todd Creek Village Water District that will need to be kept clear of fencing.

The District has proposed a new construction access be created off of Quebec, north of the gate, for the new construction in Amendment 10. Lennar has agreed to this new access. This will raise the number of construction access points to four. Upon motion made, seconded, and unanimously carried, the Board approved entering into a temporary construction access easement agreement and creating additional easement documents substantially similar to the three already in place. Director Kettle requested clarification if the City of Thornton needs to approve the agreement, access to Quebec Street at that location, and/or curb and gutter impacts related to installing the access.

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Director Stone discussed gate access agreements for the main gates on Quebec and Yosemite. Lennar has agreed to these access agreements, which will provide additional protection to the District in the event of damage to the roadway from construction traffic that may still use those accesses from time to time. Legal counsel will prepare agreements for execution.

Director Stone stated Lennar has the main gates in working condition and that gates at Yosemite and Ehler are ready for acceptance. Upon motion made, seconded, and unanimously carried, the Board accepted the gates at Yosemite and Ehler subject to the condition of acceptable gate maintenance and access agreements.

Over-excavation work is underway in Amendment 16 by Lennar. The work is required to conform to engineering specifications. In order to perform the work, Lennar has removed trees, landscaping, irrigation and fencing. Lennar has been made aware it will be asked to enter into an agreement. The District will be compensated for trees that were removed and which will not be able to be replaced. Upon motion made, seconded, and unanimously carried, the Board approved an agreement allowing the work to occur subject to the satisfactory restoration of all landscaping, irrigation, and fencing. Legal counsel will prepare an agreement.

Director Stone noted that the issue of responsibility for tracts owned by the District but still under development has been clarified. Lennar, per the various development agreements, remains responsible for maintenance and upkeep of District tracts until such time as the public improvements are constructed and accepted by the District. Increased communication between the District and Lennar will prevent future confusion on these issues.

Finally, Lennar has agreed to pay the District the sum of \$5,000 to cover trees in xeriscaped tracts that die outside the warranty agreement period. Lennar will pay this as a lump sum for the District to use as necessary.

Old Business
- Traffic Control

Director Gomer advised that no update was necessary other than to note it appeared construction traffic on District roads has decreased since the temporary accesses were opened. He hopes

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this will continue.

- Park Naming and Bench Installation

The master association has indicated that it will not be pursuing the park naming and bench installation projects, and that Lennar has offered to buy benches and provide some funding for future maintenance. Directors Gomer and Ozanich are willing to pursue the project if sufficient funding is provided. Director Stone will follow up with Lennar and obtain specifics as to the offer. The Board will take up the matter once more details are known.

Next Meeting Between District and Lennar

Director Stone noted a meeting would be held with Lennar in advance of the next Board meeting in March to discuss ongoing issues between Lennar and the District and review pending items for Board action. Agenda items include the bridge project on Yosemite, the park bench issue, and fencing issues. If there are other issues they may be added to the agenda.

New Business

No new business was brought before the Board at this time.

Public Comment

No additional public comment was offered at this time.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 3:50 P.M. The next regular meeting of the Board is scheduled for March 26, 2018 at 1:00 p.m.


Secretary for the Meeting
