

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Monday, October 9, 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:

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

Absent: Dan Kettle, Treasurer (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 and DJ Hubbell, CCMC, District Manager; Mike Reed*, IDES, District Engineer; and members of the public.

[*Departed where indicated]

Call to Order

Director Stone 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 1:00 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.

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- Approval of Agenda The Board agreed to modify the agenda to move the special committee on park benches report to take place immediately after public comment.
- Approval of Minutes The Board reviewed the minutes of the July 24, 2017, regular meeting. A change was requested to reflect that the temporary access on Quebec will be needed. Upon motion duly made, seconded, and unanimously carried, the minutes of July 24, 2017, were approved with the noted changes.
- Public Comment No public comment was offered at this time
- Report of the Special
Committee on Park Naming
and Benches Ms. Sue Thompson presented the special committee report. Director Kettle had met with Mr. Mike McTigue and Ms. Cindy Kettle of the Master HOA Board. A proposal under which the Master Board would raise money, select names, identify bench locations, purchase benches and monuments, coordinate installation and transfer ownership to the District was presented. The District would be responsible for maintenance and ownership costs. The Board considered the proposal and noted the apparent community support for the idea. The Board preferred that the Master Association be the point of contact for homeowner comments or complaints regarding proposed locations. The Board members agreed that the District role should be limited to allowing placement on District property, without additional involvement. The Board proposed changes to the proposal and instructed legal counsel to revise the document consistent with the Board's comments.
- The revised proposal will be sent back to the Master Association for consideration.
- Financial Matters Ms. Wheeler presented financial statements through August 31, 2017, and a register of interim checks for ratification. The District's cash position was reviewed, as were accounts receivable. The District is in position to make its debt service payment on December 1.
- Financial Reports and Upon motion duly made, seconded and unanimously carried, the Payment of Claims financial statement was accepted.
- Upon motion duly made, seconded and unanimously carried, interim claims for payment presented were ratified.
- Draft 2018 Budget Ms. Wheeler presented a draft 2018 budget developed with the

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assistance of Directors Anderson and Ozanich. The 2018 landscaping expenses were expected to increase due to the District accepting a number of landscaping tracts from Lennar.

Director Anderson commented he would like to keep the mill levy for operations and management stable at 10 mills. Calculations were being finalized, but the preliminary mill levy was expected to be 53.946 after applying the requirements of the Gallagher amendment.

Ms. Wheeler and Ms. Vander Wall reviewed the applicable deadlines for adopting a budget. The Board deferred setting a budget hearing at this time, subject to confirming other future District business timing requirements.

Committee Reports - Engineering Committee

Director Anderson presented the engineering committee report. Pavement and concrete work is ongoing. The original plan was modified due to unexpected costs. Specifically, the City required the dowling of certain concrete portions to prevent shifting, asphalt thought to be 5" deep turned out to be 9" deep, and the permit from the City cost \$9500. The original planned amount of work was projected to be \$255,000. After increased costs were included, a total of \$275,000 was incurred. The Board had previously authorized the expenditure of \$280,000.

Turning to 2018, the plan is to do a mill and overlay on Xenia Court, crack fill all roads, continue concrete work, and seal coat a number of streets. Expected costs for this work are \$225,000. Director Anderson noted the District would like to mill and overlay Heritage Drive, but due to expected high volume of construction traffic in the next year, he suggested that the project should be delayed.

The Board discussed the contract cost overrun issues. Mike Reed of IDES reviewed the additional asphalt requirements as an unforeseen condition of the contract and presented a Change Order No. 1. Because the additional asphalt costs were unforeseen, the contractor proposes to reduce the scope of work to offset the increase. These will be applied through future change orders.

Mr. Reed discussed the use of reclamite versus seal coating on District roads. Reclamite has a shorter cure time than traditional seal coating. IDES is looking into the product to determine if it had value to the District.

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Mr. Reed noted IDES is working with the contractor to address how the cost overruns were not spotted sooner. It was noted that the contractor should have notified the District/IDES earlier about the issue.

Upon motion duly made, seconded, and unanimously carried, the District approved Change Order No. 1 as presented.

- Landscaping Committee The landscaping report was deferred to until the discussion on turnover of landscaping.
- Budget Committee There was no budget committee report at this time.
- Other No other business of the committees was presented.

Engineer's Report

The engineer's report addressed preliminary acceptance of landscaping tracts. A walkthrough occurred on Friday, October 6. Areas identified as Amendment 9 were not ready for turnover, and most other areas had only minor issues. Punch lists have been prepared. Outstanding issues to be addressed include warranty agreements and maintenance of landscaping during the warranty period.

Some landscaped areas are on tracts owned by Golf. The Board discussed that certain areas which were landscaped may be appropriate for the District to ultimately accept, such as areas around the Quebec entrance gate, but large portions of the tracts are not appropriate for the District to take over. The Board agreed that the District will accept title from Lennar and not from other entities. It was acknowledged that this matter will be further discussed.

The Board discussed maintenance of the landscaping during the warranty period. Typically, the District has been responsible for maintenance after preliminary acceptance of public improvements. However, in the context of landscaping improvements, the potential for conflict to arise regarding whether a failure may be due to improper installation or improper maintenance is expected. A tentative proposal has been discussed with Lennar to avoid those circumstances. Under this proposal, if a mutually agreed upon scope of work for maintenance by a mutually agreeable contractor is adhered to the

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maintenance would be considered proper and the landscaping replaced under warranty. Lennar may be willing to share the cost of this agreement with the District. The Board directed legal counsel to follow up regarding such an agreement.

[*Mr. Reed departed at this time]

District Managers Report

Mr. Dudley presented the District Manager's report, including a written report which was provided to the Board. Uinta gate had been repaired under warranty and new monument lighting had been installed at the Quebec gate. Irrigation blowout is scheduled in two weeks and winterization, including aeration, is proceeding. Some homeowner sump pumps are discharging onto District sidewalks. The Board discussed that the sump pump discharge issue is an issue between individual homeowners and the City of Thornton Code, and is not District responsibility. Homeowners should be encouraged to contact the City regarding any sump pump related issues.

Mr. Dudley reported that some of the streetlights outside the District were not working. Repair of these should be under the contract with United Power. Mr. Dudley will follow up with United Power.

Legal Status Report

Ms. Vander Wall presented the legal status report, including a written report which was provided to the Board. Ms. Vander Wall presented a description of the proposed changes to the District's fee structure and collections policy. The suggested revisions to CCMC's fee schedule are proposed to be consistent with the District resolution changes. Ms. Vander Wall noted that the Board may choose to approve the fee and collections policy documents at the next meeting. After further discussion, the Board determined that it had no additional questions or comments to the documents. Upon motion duly made, seconded and unanimously carried the District approved and adopted the Resolution Amending the 2015 Fee Resolution/Adopting New Fees, the Resolution regarding Collections Policy and a Revised Exhibit B to CCMC's Management Service Contract. Legal Counsel was directed to follow up with CCMC to ensure approval and implementation.

Mr. Richards updated the Board regarding temporary construction access easement agreements. Three access easements are necessary; two off Yosemite and one off of

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Quebec. Documents are being prepared based on the easement agreements previously put in place. Each easement agreement will have its own associated escrow account. Director Anderson noted access agreements would be needed for all three main gates (Quebec, Yosemite, Ehler) as construction traffic would use these to access certain areas. Mr. Richards agreed to follow up regarding the additional locations. Mr. Richards reported that he is preparing documents necessary to close the temporary easement on Ehler that has been abandoned.

Old Business

- Traffic Control Update

Lennar has installed four speed signs for the District's roadways. The Board noted the agreement with Lennar had been for six signs, and discussed potentially revising the locations of the signs. Directors Gomer and Ozanich agreed to follow up with Lennar regarding this issue.

- Open Space Rules

Legal counsel presented the Board with revised open space rules for consideration, following direction received at the last meeting. The Board reviewed the modified rules, and requested additional language revisions to the rules. Upon motion duly made, seconded, and unanimously carried, the open space rules were adopted as amended.

New Business

No new business was brought before the Board.

Public Comment

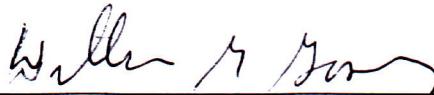
No additional public comment was offered.

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 4:25 P.M. The next regular meeting of the Board is scheduled for November 27, 2017.



Secretary for the Meeting