

**MINUTES OF A SPECIAL MEETING OF THE  
BOARD OF DIRECTORS OF THE  
HERITAGE RIDGE METROPOLITAN DISTRICT  
HELD NOVEMBER 6, 2017**

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A special meeting of the Board of Directors (the “Board”) of the Heritage Ridge Metropolitan District (the “District”) was held on Monday, November 6, 2017, at 10:00 a.m. at FirstBank, 1013 E. Harmony Road, Fort Collins, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Kenneth Mitchell, President  
Karen Mitchell, Assistant Secretary  
Russell Baker, Assistant Secretary

Directors Absent and Excused:

Jim Birdsall, Assistant Secretary

Also In Attendance Were:

Megan Becher, Esq.; McGeady Becher P.C. (via teleconference)  
Danaly Howe and Bill Stopperan; Centennial Consulting Group, LLC;  
Lee Lowry, Gloria Morales, Arbor Capital Partners, LLC (via teleconference);  
Tony Vienna, Erin Solis and Frances Marshall, members of the public.

ADMINISTRATIVE  
MATTERS

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney Becher noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Becher noted that all Directors’ Disclosure Statements had been filed by the statutory deadline.

Agenda: The Board acknowledged the Agenda for the meeting and following discussion, upon a motion duly made by Director Ken Mitchell, seconded by Director Karen Mitchell and, upon vote, unanimously carried, the Board approved the Agenda.

Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, the Board determined to conduct the meeting at the above-stated date, time and location. Ms. Howe reported that notices were duly posted and that no objections to the locations or any requests that the meeting place be changed by taxpaying electors within its boundaries have been received.

Board Appointment: The Board discussed the vacancy on the Board. It was noted that pursuant to Section 32-1-808(2)(a)(I), C.R.S., publication of a Notice of Vacancy on the Board was published in a newspaper having general circulation in the District and that no Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication. As such, qualified individual, Tony Vienna, had submitted his interest in serving on the Board. Following discussion and, upon motion duly made by Director Karen Mitchell, seconded by Director Ken Mitchell, Tony Vienna was nominated to fill the vacancy on the Board. Upon vote, unanimously carried, the Board appointed Tony Vienna to fill the vacancy on the Board. Director Ken Mitchell administered the Oath of Office to Mr. Vienna.

Appointment of Officers: The Board considered the appointment of officers. Following discussion, upon a motion duly made by Director Ken Mitchell, seconded by Director Vienna, and upon vote, unanimously carried, the Board appointed the following slate of officers:

President: Kenneth Mitchell

Secretary: Russell Baker

Treasurer: Tony Vienna

Assistant Secretary: Karen Mitchell, Jim Birdsall

Public Comment: Ms. Solis and Ms. Marshall expressed concern over the time and location of the meeting, and inquired about whether meeting notices could be communicated via email. Ms. Solis inquired about when homeowners may be appointed to the Board. The Board discussed moving meetings to Berthoud, and holding them at a later time for more residents to attend. The Board directed the District Manager to send out email notifications for future meetings. The Board discussed the upcoming 2018 election and invited interested residents to contact the District Manager.

August 7, 2017 Meeting Minutes: The Board reviewed the minutes from the August 7, 2017 special meeting. Following discussion, upon motion duly made by Director Vienna, seconded by Director Ken Mitchell and, upon vote unanimously carried, the Board approved the minutes from the August 7, 2017 special meeting.

Resolution No. 2017-11-01 Establishing 2018 Regular Meeting Dates, Time and Location, and Designating the Locations for Posting of 72-Hour and 24-Hour Notices: The Board discussed holding quarterly meetings on February 12, May 14, August 13 and November 12, 2018 at 4:00 p.m. at the Berthoud Community Center located at 238 Welch Avenue, Berthoud, CO 80513. Following discussion, upon motion duly made by Director Ken Mitchell, seconded by Director Vienna and, upon vote, unanimously carried, the Board adopted Resolution No. 2017-11-01, subject to availability of the Berthoud Community Center.

Insurance Renewal: The Board discussed the insurance renewal, insurance schedules and renewal of SDA membership. The board directed the District Manager to consult with Director Ken Mitchell to obtain a listing of assets, and to renew the insurance and obtain coverage for any District owned property.

FINANCIAL  
MATTERS

Ratify and Approve Payment of Claims: Mr. Stopperan distributed claims for the period August 7, 2017 through October 31, 2017 for ratification. Following discussion, upon motion duly made by Director Ken Mitchell, seconded by Director Vienna and, upon vote, unanimously carried, the Board ratified and approved the payment of claims in the amount of \$1,088,529.24.

Statement of Cash Position and Unaudited Financial Statements: Ms. Hamilton distributed unaudited financial statements for the period ending October 31, 2017. Following discussion, upon motion duly made by Director Ken Mitchell, seconded by Director Baker and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending October 31, 2017.

2016 Audit: Ms. Howe reported that the 2016 Audit had been completed and filed. Following discussion, upon motion duly made by Director Ken Mitchell, seconded by Director Karen Mitchell and, upon vote, unanimously carried, the Board ratified the 2016 Audit.

2017 Audit Proposals: The District directed the District Manager to obtain proposals for engagement of an independent auditor to perform the 2017 audit.

2017 Budget Amendment Hearing: Director Ken Mitchell opened the public hearing to consider amending the 2017 Budget.

It was noted that notice stating that the Board would consider amending the 2017 Budget, and the date, time and place of the public hearing was published in a newspaper having general circulation within the District,

in accordance with statutory requirements. No written objections were received prior to the public hearing.

No public comments were received and the public hearing was closed. It was determined at this time that no amendment to the 2017 Budget was necessary.

Amended and Restated Facilities Funding Agreement: Following discussion, upon motion duly made by Director Baker, seconded by Director Ken Mitchell and, upon vote, unanimously carried, the Board approved the Amended and Restated Facilities Funding Agreement, subject to inclusion of budgeted amounts.

Operation Funding Agreement: Following discussion, upon motion duly made by Director Baker, seconded by Director Ken Mitchell and, upon vote, unanimously carried, the Board approved the Operation Funding Agreement, subject to inclusion of budgeted amounts.

2018 Budget Hearing: Director Vienna opened the public hearing to consider the proposed 2018 Budget and discuss related issues.

It was noted that notice stating that the Board would consider adopting the 2018 Budget, and the date, time and place of the public hearing was published in a newspaper having general circulation within the District, in accordance with statutory requirements. No written objections were received prior to the public hearing.

No public comments were received and the public hearing was closed.

Mr. Stopperan reviewed the proposed 2018 Budget with the Board. Following discussion, the Board considered the adoption of Resolution No. 2017-11-02 to Adopt the 2018 Budget and Appropriate Sums of Money, Resolution No. 2017-11-03 to Set Mill Levies, a General Fund Mill Levy at 15.000 mills and a Debt Service Mill Levy at 55.278 mills, for a total mill levy of 70.278 mills, and Resolution No. 2017-11-04 Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3. Upon motion duly made by Director Baker, seconded by Director Ken Mitchell and, upon vote, unanimously carried, Resolution Nos. 2017-11-02, 2017-11-03 and 2016-11-04 were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2017. The District Manager was authorized to prepare and sign the DLG-70 Mill Levy Certification and to transmit the same to the Board of County Commissioners of Larimer

County, no later than December 15, 2017. The District Manager was authorized to transmit the Certification of Budget to the Division of Local Government no later than January 30, 2018.

LEGAL MATTERS

Resolution No. 2017-11-05 Calling May 8, 2018 Election, appointing Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election: Attorney Becher presented Resolution No. 2017-11-05. Following discussion, upon motion duly made by Director Karen Mitchell, seconded by Director Vienna and, upon vote, unanimously carried, the Board adopted Resolution No. 2017-11-05 Calling May 8, 2018 Election, appointed Danaly Howe as the Designated Election Official (“DEO”) and authorized the DEO to perform all tasks required for the conduct of a mail ballot election. It was noted that Self-Nomination Forms are due by March 2, 2018.

Transparency Notice: The Board acknowledged filing of the annual Transparency Notice will be posted on the Special District Association’s website. No action was taken.

CAPITAL  
PROJECTS/  
OPERATIONS:

Status of capital projects: The Board discussed the status of capital projects. Director Ken Mitchell reported that 95 more lots will be developed on the East side of Canyonlands. Future amenities tentatively include a pool, two pocket parks, and trails. No action was taken.

Status of contracts: The Board discussed the status of contracts with the District. No action was taken.

Status of Town acceptance: The Board discussed the status of Town acceptance. Mr. Mitchell reported that Phase 1D is in the process of being accepted. No action was taken.

Discuss Change Orders: The Board discussed change orders for future approval and/or ratification. No action was taken.

2018 services to be contracted out (landscape, snow removal): The Board discussed 2018 services to be contracted out. Following discussion, upon motion duly made by Director Baker, seconded by Director Vienna and, upon vote, unanimously carried, the Board ratified the contract for snow removal services with Metco Landscape, Inc.

OTHER MATTERS:

The Board discussed appointing a resident on the Architectural Control Committee (“ACC”) at the next meeting. Ms. Solis expressed her interest in joining the ACC. No action was taken.

