

RECORD OF PROCEEDINGS

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**MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF THE  
HIGHLAND PARK METROPOLITAN DISTRICT  
HELD  
DECEMBER 9, 2014**

A special meeting of the Board of Directors of the Highland Park Metropolitan District, Arapahoe County, Colorado was called and held on Tuesday, December 9, 2014 at 2:00 p.m., at CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, CO 80111.

Attendance    In attendance were Directors:

Carter Sealing  
Barry Benware  
Michael Kramer  
John Healy

Also in attendance were:

Mathew Mendisco; CliftonLarsonAllen LLP

Call to  
Order

Director Sealing called the meeting to order. The Board noted that Director Anders was not present and excused her absence.

Director  
Qualifications  
Conflict of  
Interest

Ms. Seaver advised the Board of Directors that pursuant to Colorado law, certain disclosures may be required prior to taking official action at the meeting. The Board of Directors reviewed the agenda for the meeting, following which each director confirmed the contents of written disclosures previously made, if any, stating the fact and summary nature of any matters, as required by Colorado law, to permit official action to be taken at the meeting. Additionally, the Board of Directors determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

Director Anders disclosed her interests and association with Century Communities, Park 5<sup>th</sup> Avenue Development Co., LLC, and an interest in real property within the boundaries of the District. This disclosure is associated with approval of items on the agenda that may affect her interest.

Director Benware disclosed his interests and association with Global Pacific Properties, agent for Highland Square Center, Ltd., his contract relationship with Highland Square Center, Ltd.; and an interest in real property within the boundaries of the District. This disclosure is associated with approval of items on the agenda that may affect his interest.

Director Sealing disclosed his interests and association with Global Pacific Properties, agent for Highland Square Center, Ltd., and an interest in real property within the boundaries of the District. This disclosure is associated with approval of items on the agenda that may affect his interest.

Director Healy disclosed his interests and association with Century Communities, Park 5<sup>th</sup> Avenue Development Co., LLC, and an interest in real property within the boundaries of the District. This disclosure is associated with approval of items on the agenda that may affect his interest.

Director Kramer disclosed his interests as an owner of property within the boundaries of the District and association with Villas at Highland Park Homeowners Association as Treasurer and Director of the Homeowners Association. This disclosure is associated with approval of items on the agenda that may affect his interest.

Written disclosures of these interests were filed with the Secretary of State and the Board prior to the meeting.

#### Agenda

Following discussion, upon a motion duly made by Director Healy, seconded by Director Kramer, and upon vote unanimously carried, the Board approved the agenda as presented.

#### Approval of Minutes

- October 14<sup>th</sup>, 2014 Minutes:

Mr. Mendisco stated that Director Kramer's changes in the disclosure statements on October 14<sup>th</sup> had been made. Director Benware asked that Item D state "how the existing residential development could be retrofitted to accommodate the increased flows".

Director Sealing requested that the update on the reserve study state "the Board would have final review and approval authority prior to Aspen Reserves issuing the final report".

- October 24<sup>th</sup> Minutes:

No changes.

- November 11<sup>th</sup> Minutes:

Director Benware stated that there was one acronym that had not been changed, and that CLA representative needed to be changed to Chuck Reid.

Director Sealing stated that the minutes should also reflect the Boards request to have the minutes turned around within 48 hours (in short hand form is fine) so the Board can comment ahead of the meeting.

Director Sealing stated that the motion was to accept the financial statements not approval.

Following review and discussion, upon a motion duly made by Director Kramer, seconded by Director Sealing, and upon vote, the Board approved the October 14<sup>th</sup>, October 24<sup>th</sup>, and November 11<sup>th</sup>, 2014 regular meeting minutes as amended.

Public

Comment

There were no public comments.

Capital Projects

A. Update on Concrete Repairs

Mr. Mendisco reviewed and stated that the concrete repairs would be completed once Mr. Frederick and Atlas can schedule the work (weather permitting). The Board asked that Mr. Mendisco ask Atlas to get the work done if possible by the end of the year.

B. Update on Bids to Paint Bridges

Mr. Mendisco reviewed the painting bids with the Board and stated that he would recommend the Budget Painting proposal. The Board asked if the boards that were warped would be replaced/fixed and Mr. Mendisco stated that repairs were on a T&M basis. After discussion, upon a motion duly made by Director Benware, seconded by Director Kramer, and upon vote, the Board approved the Board approved the Budget Painting proposal as presented.

C. Update on Railing in Plaza

Mr. Mendisco reviewed and stated that this repair had been completed by the building owner.

D. Update on SEMSWA Pond

Mr. Mendisco stated that the Merrick contract had been approved and signed which was in the packet for the Board information. Director Sealing asked if legal had reviewed and approved the contract and Mr. Mendisco stated legal and management had both reviewed the contract and approved it.

E. Update on Reserve Study

Mr. Mendisco stated that December 22<sup>nd</sup> was the date for delivery of the Reserve Study draft report.

F. Review and Discuss Plaza Concrete Report from SBSA

Mr. Mendisco stated that the report was completed and in the packet. The Board tabled the item and asked Mr. Mendisco to have SBSA come to the January Board meeting.

Financial

A. Review and Approve October 31, 2014 Financial Statements and Current Cash Position and Property Tax Reconciliation

Mr. Mendisco reviewed the financial statements with the Board. Following discussion, upon a motion duly made by Director Benware, seconded by Director Sealing, and upon vote unanimously carried, the Board accepted the October 31, 2014 financial statements, cash position and property tax reconciliation.

B. Review, Ratify and Consider Approval of Claims

Mr. Mendisco reviewed the claims with the Board. Following discussion, upon a motion duly made by Director Sealing, seconded by Director Benware, and upon vote unanimously carried, the Board approved the current claims represented by check numbers 11992 through 12005 totaling \$25,493.31 and voiding Director Anders's check number 12001.

C. Other

None.

Items from  
Manager

A. Conduct Public Hearing to Consider Adoption of 2015 Budget, Appropriate Expenditures and Set Mill Levy; Consider Adoption of Resolution to Adopt 2015 Budget, Appropriate Expenditures and Set Levy

Upon a motion duly made by Director Sealing, seconded by Director Benware, and upon vote unanimously carried, the Board opened the public hearing at 2:30 p.m. There was no public present.

Upon a motion duly made by Director Sealing, seconded by Director Healy, and upon vote unanimously carried, the Board closed the public hearing at closed at 2:31 p.m.

Mr. Mendisco reviewed the budget with the Board stating that the 2015 budget in the packet reflected all the changes in expenditures from the November meeting.

Mr. Mendisco reviewed the general fund with the Board. Mr. Mendisco stated that a change to the revenues with developer reimbursement of 20k gone should be taken out. After review the Board did not have any changes to the general fund expenditures.

Director Kramer stated that the Board should start thinking about a multi-year phased landscape improvement plan. Director Benware stated he was not sure the District should install upgrades that would increase costs over the long term. He stated that he was in favor of updating things like pavilion, but not sure we should replace what is existing.

Director Healy stated that the District just needed a plan to follow whether that was for updated or new installations so it was not guessing and making assumptions on a long term basis.

The Board agreed that they did not want to incur additional debt, but incremental refurbishing was a good idea.

After discussion, the Board added \$5,000 for landscape design in the general fund.

Mr. Mendisco reviewed the capital replacement fund with the Board. The Board stated that the plaza pavilion was in need of painting as well as minor repairs. Mr. Mendisco stated that there was money in the budget to do repairs but the \$10,000 was not enough to do the painting. Mr. Mendisco stated that an additional \$10,000 should be enough. The Board increased the pavilion repairs to \$20,000.

Director Kramer requested that the budget resolution be filled out the best possible and to send along with the draft minutes.

Upon a motion duly made by Director Kramer, seconded by Director Healy, and upon vote unanimously carried, the Board approved the budget as amended, to set the mill levy at 8.53, and appropriate expenditures.

#### B. Review and Consider Approval of Annual Administrative Resolution

Mr. Mendisco reviewed the administrative resolution with the Board. The Board requested that in the future Mr. Mendisco provide a summary of resolutions that are included in the packet. After review, upon a motion duly made by Director Kramer, seconded by Director Benware, and upon vote unanimously carried, the Board approved the administrative resolution as presented.

C. Review and Consider Approval of Engagement Letter from CliftonLarsonAllen LLP for 2015 Accounting Services

Please see below.

D. Review and Consider Approval of Engagement Letter from Icenogle Seaver Pogue, P.C. for 2015 Legal Services

Mr. Mendisco stated that the CLA engagement letter rates were the same as 2014 with no increase. Mr. Mendisco stated that legal hourly rates were the same for 2015 per the agreement with the Board. Upon a motion duly made by Director Sealing, seconded by Director Kramer, and upon vote unanimously carried, the Board approved both the ISP and CLA engagement letters as presented.

Landscape Update

None.

Legal Items

- A. Executive session pursuant to C.R.S., Section 24-6-402(4)(b) and Section 24-6-402(4)(e), for the purposes of receiving legal advice on specific legal questions, determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations and instructing negotiators related to (a) the District's negotiations with area homeowners' associations and the City of Centennial related to the exclusion of certain residential properties from the District; and (b) any matters, letters, documents or discussions related to any and all of the foregoing

Director Sealing moved that the Board move into executive session. The motion was seconded by Director Kramer, and upon vote unanimously carried, the Board moved into executive session at 3:48 p.m.

Upon a motion duly made by Director Sealing, seconded by Director Benware, and upon vote, unanimously carried, the Board agreed to exit the executive session at 4:02 p.m.

No action was taken.

Director Kramer left meeting at 4:03 p.m.

Items from the Board.

- A. Review of HOA Meetings

Director Sealing stated the Villas HOA at the HOA meeting was in support of the exclusion agreement. Director Kramer is working with the Waterside representative to address their concerns. The main concern from Waterside is the health and safety issues of the water if its gets to really low levels.

Other

Business

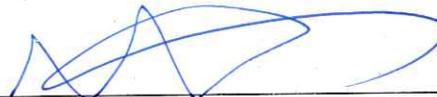
A. Confirm Quorum for the January 13, 2015 Regular Meeting.

Mr. Mendisco stated that the Board would need to have this meeting and that there were currently three separate engineering presentations on the agenda and Mr. Mendisco would recommend moving the meeting to 2:00pm. The Board agreed.

Adjournment Upon a motion duly made by Director Sealing, seconded by Director Benware, and upon vote, unanimously carried, the Board adjourned the meeting at 4:13 p.m.

The foregoing minutes constitute a true and correct copy of the minutes of the above referenced meeting and were approved by the Board of Directors of the Highland Park Metropolitan District.

Respectfully submitted,



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Secretary for the Meeting