

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER
METROPOLITAN DISTRICT NO. 7 (the "District")
HELD
MAY 23, 2019**

A special meeting of the Board of Directors of the Prairie Center Metropolitan District No. 7 (referred to hereafter as "Board") was convened on Thursday, the 23rd day of May, 2019, at 11:00 A.M., at the Construction Trailer, 2221 South 27th Avenue, Brighton, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Michael Tamblyn
Mark A. Waggoner

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

Paula Williams, Esq.; McGeady Becher P.C.

Thuy Dam; CliftonLarsonAllen LLP

Rick Rome; Redland Consulting Group Inc. (for a portion of the meeting)

Brad Grimes; Brinkmann Constructors (for a portion of the meeting)

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

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 and to the Secretary of State. Attorney Williams 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. It was further noted by Attorney Williams that all Directors' Disclosure Statements have been filed and no additional conflicts were disclosed.

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's special meeting.

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Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Agenda was approved, as amended.

Approval of 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, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board determined to conduct the meeting within 20 miles of its boundaries at the above stated location. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

Resolution No. 2019-05-01; Resolution Establishing Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72 Hour and 24-Hour Notices: The Board discussed regular meeting dates, times and location, and designating locations for posting of 72-hour and 24-hour notices.

Ms. Finn reviewed the business to be conducted in 2019 to meet the statutory compliance requirements. The Board determined to meet on November 14, 2019 at 11:30 a.m. at the Construction Trailer, 2221 South 27th Avenue, Brighton, Colorado.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-05-01; Establishing Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices. A copy of the Resolution is attached hereto and incorporated herein.

New Legislation: Attorney Williams discussed with the Board the new legislation regarding posting of meeting notices.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board authorized staff to create a District website for posting of meeting notices.

CONSENT AGENDA

The Board considered the following actions:

- Approve Minutes of the December 5, 2018 regular meeting.
- Ratify approval of payment of claims for the period beginning December 1, 2018 through April 30, 2019 totaling \$1,249,900.05.

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Following review, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved and/or ratified approval of, as appropriate, the above actions.

FINANCIAL MATTERS

2018 Audit: Ms. Dam reviewed the draft 2018 Audited Financial Statements with the Board.

Following review and discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the 2018 Audited Financial Statements, subject to final review by General Counsel, receipt of an unmodified opinion letter from the Auditor, and authorized execution of the Representations Letter.

LEGAL MATTERS

Intergovernmental Agreement Regarding Assignment of Revenues between Prairie Center Metropolitan District No. 3 and Prairie Center Metropolitan District No. 7: Attorney Williams discussed with the Board an Intergovernmental Agreement Regarding Assignment of Revenues between Prairie Center Metropolitan District No. 3 and Prairie Center Metropolitan District No. 7.

Following review and discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the Intergovernmental Agreement Regarding Assignment of Revenues between Prairie Center Metropolitan District No. 3 and Prairie Center Metropolitan District No. 7, subject to final review by Counsel.

Imposition of Rules and Regulations for Construction Activities: The Board deferred discussion.

Resolution No. 2019-05-02; Resolution Regarding the Imposition of District Fees: Attorney Williams reviewed with the Board Resolution No. 2019-05-02; Resolution Regarding the Imposition of District Fees.

Following review and discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-05-02; Resolution Regarding the Imposition of District Fees, subject to final review by Counsel. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Resolution No. 2019-05-03; Resolution Concerning Collection Procedures for Operation and Maintenance Fees: The Board deferred discussion.

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Engagement of Special District Management Services, Inc. for Covenant Control Services: Attorney Williams discussed with the Board the engagement of Special District Management Services, Inc. for Covenant Control Services.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the engagement of Special District Management Services, Inc. for Covenant Control Services.

Prairie Center Residential Improvement Design Guidelines and Restrictions: The Board reviewed the Prairie Center Residential Improvement Design Guidelines and Restrictions.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board ratified approval of the Prairie Center Residential Improvement Design Guidelines and Restrictions.

Payment of Design Review Fees: The Board discussed the process for payment of design review fees. No action was taken by the Board.

Resolution No. 2019-05-04; Resolution Concerning Enforcement of Rules & Regulations: Attorney Williams reviewed with the Board Resolution No. 2019-05-04; Resolution Concerning Enforcement of Rules & Regulations.

Following review and discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-05-04; Resolution Concerning Enforcement of Rules & Regulations, subject to final review by Ms. Ripko and Legal Counsel. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

CAPITAL MATTERS

Prairie Center Village I Phase IA and IB Improvements: Mr. Grimes gave a construction status report for the Prairie Center Village I Phase IA and IB Improvements to the Board.

Construction Contract with Bemas Construction: The Project is 100% complete.

Construction Contract with Scott Contracting: The Project is 100% complete.

Construction Contract with ESCO Construction Company: The Project is 100% complete.

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Construction Contract with Rocky Mountain Excavating: The Project is 100% complete.

Construction Contract with Colorado Designscales, Inc.: The Project is expected to be completed at the end of June 2019.

Construction Management Agreement with Brinkmann Constructors: It was noted that work under this agreement is ongoing.

Change Order No. 3 to the Master Service Agreement for District Engineering Services between the District and Redland Consulting Group, Inc., for preparation of Operations & Maintenance Manual for the Prairie Center Village I Underdrain System: Mr. Grimes reviewed with the Board Change Order No. 3 to the Master Service Agreement for District Engineering Services between the District and Redland Consulting Group, Inc., for preparation of Operations & Maintenance Manual for the Prairie Center Village I Underdrain System, for the amount of \$4,000.

Following review and discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved Change Order No. 3 to the Master Service Agreement for District Engineering Services between the District and Redland Consulting Group, Inc., for preparation of Operations & Maintenance Manual for the Prairie Center Village I Underdrain System, for the amount of \$4,000.

Final Payment to Contractors: The Board directed Messrs. Rome and Grimes to notify the District Manager when Notices of Final Payment need to be published.

OPERATIONS AND MAINTENANCE

Operations and Maintenance Services: The Board discussed future operations and maintenance services for the District.

Landscape Maintenance Services: It was noted that the current contract with Colorado Designscales has been extended to include 2020.

Snow Removal: The Board deferred discussion.

Site Lighting: The Board authorized staff to obtain a proposal from Colorado Lighting, Inc. for site lighting services.

Underdrain System: No action will be taken by the Board until the operation and maintenance manual has been completed.

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Service Agreement for Trash Removal Services between the District and Waste Management of Colorado, Inc.: The Board reviewed a Service Agreement for Trash Removal Services between the District and Waste Management of Colorado, Inc.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved the Service Agreement for Trash Removal Services between the District and Waste Management of Colorado, Inc.

Service Agreement for Removal of Inactive Nest between the District and LT Environmental, Inc.: The Board reviewed the Service Agreement for Removal of Inactive Nest between the District and LT Environmental, Inc.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved the Service Agreement for Removal of Inactive Nest between the District and LT Environmental, Inc.

Change Order: Following discussion, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board authorized Director Tamblyn to approve a Change Order to the Service Agreement with LT Environmental, Inc. if it was determined additional inactive nests needed to be removed.

OTHER BUSINESS

Design Review and Covenant Control Services: There was nothing new to report.

Consideration of Board Appointments After Publication of Notice of Vacancies: It was noted that pursuant to Section 32-1-808(2)(a)(I), C.R.S., publication of a Notice of Vacancies on the Board was made on May 8, 2019 in the Brighton Standard Blade. No Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication.

As such, following discussion and upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board appointed Rick Merkel, Wendy Burke and Michelle Roberts to the Board of Directors to fill the three vacancies, and also appointed Brandon Schenberg to the Board of Directors, such appointment to be effective immediately after the resignation of Director Waggoner.

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Resignation of Director: The Board accepted the resignation of Director Waggoner, effective as of May 24, 2019.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.


Following discussion, upon motion duly made by Director Tamblyn seconded by Director Waggoner and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Michael Tamblyn
Treasurer	Rick Merkel
Secretary	Ann E. Finn
Assistant Secretary	Wendy Burke
Assistant Secretary	Michelle Roberts
Assistant Secretary	Brandon Schenberg

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By 
Secretary for the Meeting

RESOLUTION NO. 2019-05-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
ESTABLISHING REGULAR MEETING DATES, TIME AND LOCATION, AND
DESIGNATING LOCATIONS FOR POSTING OF 72-HOUR AND 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 24-6-402(2)(c), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the place at which notice will be posted at least 24 hours prior to each meeting.

C. Pursuant to Section 32-1-903, C.R.S., special districts are required to post notices of regular and special meetings at three (3) public places within the district and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting.

D. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

E. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Prairie Center Metropolitan District No. 7 of the County of Adams, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the "**District Board**") has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the Directors and consultants of the District in that they live and/or work outside the twenty (20) mile radius requirement.

3. That regular meetings of the District Board of the Prairie Center Metropolitan District No. 7 for the year 2019 shall be held on November 14, 2019 at 11:30 a.m., at the Construction Trailer, 2221 South 27th Avenue, Brighton, Colorado.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each Director.

5. That, until circumstances change and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s), location(s) and any such objections shall be considered by the District Board in setting future meetings.

7. Notice of Meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

(a) At the Southwest corner of 144th Avenue and South 27th Avenue

8. Notices of regular and special meetings required to be posted at three (3) public places within the District and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting shall be made pursuant to Section 32-1-903, C.R.S. at the following locations:

(a) At the southwest corner of 144th Avenue and South 27th Avenue

(b) At the northwest corner of Peregrine Drive and 144th Avenue

(c) At the corner of Osprey Drive and Peregrine Drive

9.

10. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

RESOLUTION APPROVED AND ADOPTED on May 23, 2019.

**PRAIRIE CENTER METROPOLITAN
DISTRICT NO. 7**

By: _____
President

Attest:

Secretary

RESOLUTION NO. 2019-05-02

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 REGARDING THE
IMPOSITION OF DISTRICT FEES**

A. Prairie Center Metropolitan District No. 7 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado located in the City of Brighton, Adams County, Colorado.

B. The District’s boundaries are described in the legal description attached hereto as Exhibit A, which legal description may be amended from time to time, pursuant to the inclusion and/or exclusion of property into or from the District (the “**Property**”).

C. The District, pursuant to its Service Plan approved by the City of Brighton, Colorado, is authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance and provide for the operation and maintenance of certain improvements generally described in the Special District Act, including without limitation, street improvements, safety protection improvements, park and recreation improvements and related irrigation systems, television relay and translator facilities, and mosquito and pest control systems (the “**District Improvements**”).

D. The Property will benefit from the District Improvements and the Districts’ operation and maintenance of the same.

E. The District is authorized pursuant to Section 32-1-1001(1)(j)(I), C.R.S., and its Service Plan to fix fees and charges for capital costs and operation and maintenance costs.

F. The District has determined that, to meet the costs associated with the District Improvements and the cost of operating and maintaining the District Improvements, it is necessary to impose an “Operations Fee” and a “Capital Working Fee” (as such terms are defined below) on the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7, CITY OF BRIGHTON, ADAMS COUNTY, COLORADO, AS FOLLOWS:

1. The Board of Directors hereby finds, determines and declares that it is in the best interests of the District, its inhabitants and taxpayers to exercise its power by imposing the following fees:

(a) Operations Fee.

(i) Effective on October 1, 2019, the Board hereby imposes an operations and maintenance fee (the “**Operations Fee**”) in the amount of \$360.00 per year on each residential lot (each, a “**Lot**” and collectively, “**Lots**”) within the District. The first Operations Fee payment for a Lot shall become due and payable to the District at closing on the initial sale of such Lot with a completed residence thereon by a homebuilder to the initial homeowner (the “**Initial Payment Date**”), such Operations Fee amount pro-rated for the portion of the calendar quarter then remaining.

The District reserves the right to amend this resolution in the future to increase or decrease the amount of the Operations Fee.

(ii) Thereafter, following the Initial Payment Date, Operations Fee shall be payable on a quarterly basis and shall be due by the 23rd day of each calendar quarter (meaning, January 23rd, April 23rd, July 23rd and October 23rd) (each, a "**Payment Date**"). An invoice will be mailed to each property owner ("**Owner**") on or before December 31st, March 31st, June 30th and September 30th of each year (the "**Bill Date**"). If payment in full is not received by 5:00 p.m. on the Payment Date (the "**Past Due Date**"), the Operations Fee is deemed past due and otherwise outstanding. A "Reminder Notice" may be, but is not required to be, sent at such time.

(iii) Failure to make payment of any Operations Fees due hereunder shall constitute a default in the payment of such Operations Fees. Upon default, a late fee of \$15.00 shall be added to the amount due and payable (the "**Late Fee**").

(iv) If the Owner does not make payment of all past due amounts, including the Late Fee (the "**Delinquent Balance**"), within 60 days from the Past Due Date, the District may deliver to the Owner a Notice of Intent to File a Lien Statement (a "**Lien Notice**"). The Lien Notice shall give notice to the Owner that the District intends to perfect its lien against the Property by recording a Lien Statement in the office of the Adams County Clerk and Recorder if the Delinquent Balance is not paid in full within thirty (30) days after said Lien Notice is served upon Owner by certified mail, return receipt requested, pursuant to Section 38-22-109(3), C.R.S.

(b) Working Capital Fee.

(i) The Board hereby imposes a working capital fee (the "**Working Capital Fee**") and, collectively with the Operations Fee, the "**Fees**") in the amount of \$200.00 per Lot and shall be due and payable at the same time as the Initial Payment Date for the Operations Fee, and thereafter, at the time of any sale, transfer or re-sale of a Lot with a completed residence thereon.

2. The Fees shall not be imposed on real property actually conveyed or dedicated to non-profit owners' associations, governmental entities or utility providers.

3. The Fees shall constitute a statutory and perpetual charge and lien upon the Property pursuant to Section 32-1-1001(1)(j), C.R.S., from the date the same becomes due and payable until paid. The lien shall be perpetual in nature as defined by the laws of the State of Colorado on the Property and shall run with the land and such lien may be foreclosed by the District in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens. This Resolution shall be recorded in the real property records of the Clerk and Recorder of Adams County, Colorado.

4. The District shall be entitled to institute such remedies and collection proceedings as may be authorized under Colorado law, including, but not limited to, foreclosure of its perpetual lien. The defaulting Owner shall pay all costs, including attorney fees, incurred by the District in connection with the foregoing.

5. Judicial invalidation of any of the provisions of the Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstances shall

not affect the validity of the remainder of the Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

6. Any inquiries pertaining to the Fees may be directed to the Community Manager, Peggy Ripko at: Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, phone number: 303-987-0835.

7. This Resolution shall take effect immediately upon its adoption and approval.

APPROVED AND ADOPTED THIS 23rd day of May, 2019.

**PRAIRE CENTER METROPOLITAN
DISTRICT NO. 7**, a quasi-municipal corporation
and political subdivision of the State of Colorado

By: _____

President

Attest:

By: _____

Secretary

EXHIBIT A

Legal Description of the Property

Prairie Center Village I Subdivision Filing No. 1, according to the plat thereof recorded in the real property records of Adams County, Colorado, at Reception No. 2017000114002, County of Adams, State of Colorado.