

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 4

Held: Wednesday, October 19, 2016 at 9:00 a.m., at Medical Center of the Rockies, Big Thompson Canyon Meeting Room, 2500 Rocky Mountain Avenue, Loveland, Colorado 80538.

Attendance:

A special meeting of the Board of Directors of the Thompson Crossing Metropolitan District No. 4 was scheduled in compliance with the laws of the State of Colorado, with the following directors in attendance:

Bruce Rau
Charles Leder
Brandon Wyszynski
Reid Hollander
James Gertson

Also present were: Jerry Jacobs, Timberline District Consulting, LLC; Kevin Collins, CliftonLarsonAllen, LLP; Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.; John Glaser, Oakwood Homes LLC; and the following District residents: Doug Riley, Veronica Jalving, Susan Rostvedt-Johnson, Craig Johnson, Sarah Schwartz, John and Geana Roehrig, Mary Burden, Brad Damaskos, Paul Fischer, Norm and Deborah Hickerson, Marilyn Hidden, Dennis Adlesperger, Brenda and Doug Colbert, James Trull, Mark and Elizabeth Elliott, Joan Rupert, Terry and Cristi Baldino, and Eric Kelley.

Call to Order:

Director Rau, noting the presence of a quorum, called to order the special meeting of the Board of Directors of the Thompson Crossing Metropolitan District No. 4.

**Director Matters/
Disclosure Matters:**

Ms. Ivey then advised the Board that pursuant to Colorado law, certain disclosures by the Board members may be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member confirmed the contents of any written disclosures previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting.

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Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

Director Rau disclosed his interests and association with Oakwood Homes LLC. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Leder disclosed his interests and association with HC Development & Management Services, Inc., Oakwood Homes LLC, Thompson River Ranch Land Investments LLC and TRR Development & Management Services, Inc. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Wyszynski disclosed his interests and association with Oakwood Homes, LLC. This disclosure is associated with approval of items on the agenda that may affect his interests.

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

Approval of/Additions to/Deletions from the Agenda:

After discussion, upon motion of Director Leder and second of Director Gertson, the Board unanimously approved the agenda as presented.

Public Comment For Matters Not on the Agenda:

Public comment was received from John Roehrig and Cristi Baldino.

Approval of Minutes:

After discussion, upon motion of Director Leder and second of Director Wyszynski, the Board approved the February 8, 2016 special meeting minutes with Directors Hollander and Gertson (who were not on the Board at that time) abstaining.

District Manager's Report:

Mr. Jacobs reviewed with the Board his District Manager's Report including noting that year-to-date 79 design review applications had been processed and 579 covenant violations had been issued. Upon inquiry from the public Mr. Jacobs reported that 623 covenant violations were issued in 2015. Members of the public noted their dissatisfaction with the covenant enforcement processes and with MSI, LLC. Director Gertson noted his dissatisfaction with the same and noted that he had several covenant enforcement violations which

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he had successfully appealed. Director Hollander noted that his experience is that MSI, LLC does not issue enough or, possibly, the correct violation citations since many violations that he observed are ongoing for long period and many are unresolved. Mr. Jacobs stated that he would investigate this and work with MSI, LLC on improving services.

Legal Matters – Consider Adoption of 2017 Annual Resolution and Election of Officers:

Ms. Ivey presented to and reviewed with the Board a resolution, prepared annually to handle the District's ongoing operation and business. After discussion, upon motion of Director Leder and second of Director Hollander, the Board unanimously approved the resolution including the election of the following officers to the Board of Directors:

President/Chairman: Bruce G. Rau
Secretary/Treasurer: Brandon S. Wyszynski
Assistant Secretary: Charles P. Leder
Assistant Secretary: Reid Hollander
Assistant Secretary: James Gertson

Financial Matters – Financial Statements and Claims:

Mr. Collins reviewed with the Board the current financial statements and claims as distributed at the meeting. After discussion and upon the motion of Director Leder and second of Director Wyszynski, the Board unanimously accepted the financial statements and approved the claims as presented.

Financial Matters – 2016 Budget Amendment Hearing and Action:

Mr. Collins reported that no budget amendment would be required at this time.

Financial Matters – 2017 Budget Hearing and Action:

Upon motion of Director Wyszynski and second of Director Gertson, the Board unanimously approved opening a public hearing on the proposed 2017 budget consistent with published public notice. Mr. Collins reviewed with the Board a proposed 2017 budget. Public comment on the proposed 2017 budget was received from Veronica Jalving, John Roehrig, Cristi Baldino, Susan Rostvedt-Johnson, James Trull, Elizabeth Elliott, and Joan Rupert. Public comments focused mainly on the amount of District's mill levies, impact thereof on sale and resale of homes, and the financial condition of the District. Upon motion of Director Gertson and second of Director Hollander, the Board unanimously approved closing public hearing on the proposed 2017 budget. The Board discussed the proposed 2017 budget. Director

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Rau noted and Mr. Collins confirmed that the District's mill levies are comparable to that of special districts across the State. Director Rau also noted that the developer of the community continues to subsidize the District's operations thus necessitating the small increase in the operations and maintenance mill levy. Director Gertson stated that the District should file for bankruptcy and was advised by Mr. Collins and Ms. Ivey that the District is current on its payments and is not eligible for bankruptcy protection. Director Hollander noted that it might be helpful to the residents if some information about mill levies in comparable communities could be compiled and disseminated. Upon the motion of Director Leder and second of Director Hollander, the Board voted 4 to 1, with Director Gertson opposed to the motion, to adopt a resolution approving the 2017 proposed budget, approving appropriation of funds to the approved budget and certifying the mill levy.

Financial Matters –
Ratify Acceptance and
Filing of 2015 Audit:


Mr. Collins reviewed the audit of the 2015 financial statements of the District. After review and discussion and upon the motion of Director Wyszynski and second of Director Gertson, the Board unanimously accepted the audit of 2015 financial statements and ratified Mr. Collins' filing it with the State Auditor.

Other Business:

None.

Adjournment:

There being no further business to come before the Board, and upon motion of Director Gertson, second of Director Wyszynski and unanimous vote, the meeting was adjourned.


Secretary of the Meeting