

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 4

Held: Monday, November 13, 2017 at 1:30 p.m., at Best Western Plus Loveland Inn, 5542 E. US Highway 34, Loveland, Colorado 80537.

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.; Jason Pock and Steve Panter, Oakwood Homes; and the following members of the public: Randy Winsett, Kevin Lemasters, Norm and Deb Hickerson, Susan Fischer and Phil and Lynn Beedle.

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

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Director Rau disclosed his interests and association with Clayton Properties Group II, LLC, including board membership on each of Thompson Crossing Metropolitan District Nos. 3, 5 and 6. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Leder disclosed his interests and association with Spencer Fane LLC, (the law firm), which represents Clayton Properties Group II, LLC. The law firm bills for services to Clayton Properties Group II, LLC, from which a portion of his salary is derived. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Wyszynski disclosed his interests and association with Clayton Properties Group II, LLC, including board membership on each of the Thompson Crossing Metropolitan District Nos. 3, 5 and 6. 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 Wyszynski and second of Director Hollander, the Board unanimously approved the agenda with the addition of Item 9(a) regarding engagement of an auditor.

Public Comment For Matters Not on the Agenda:

None.

Approval of Minutes:

After discussion, upon motion of Director Leder and second of Director Wyszynski, the Board approved the October 19, 2016 special meeting minutes.

District Manager's Report:

At the request of Directors Gertson and Hollander, Mr. Jacobs reviewed with the Board his District Manager's Report to District No. 3. 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 periods and many are unresolved, he also asked that District No. 3 include District No. 4 in its consideration of renewing the contract with MSI, LLC. Director Gertson inquired about the list of items that Mr. Jacobs had fixed around the community. Director Gertson noted some potential

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violations on the Carriage House properties and ask that it be corrected by the owner, Oakwood Homes.

Director Hollander inquired about the transfer fee money that has been paid to the foundation and the availability of the same. Director Rau noted that this Board does not control that money and that he is not on the Board of the foundation but will get information about the foundation to Director Hollander.

Legal Matters – Consider Adoption of 2018 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 Gertson 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

Legal Matters – Workers' Compensation Insurance:

Ms. Ivey presented to the Board a resolution determining not to provide workers' compensation insurance coverage for uncompensated members of the Board and Form WC 44 acknowledging such determination for the District. After discussion, upon motion of Director Gertson and second of Director Wyszynski, the Board unanimously approved the Resolution and authorized the completion and filing of Form WC 44 for the District.

Legal Matters – Consider 2018 Regular Election Resolution:

Ms. Ivey presented the Board with and reviewed a Resolution regarding the 2018 Regular Special District Election. After discussion, upon motion of Director Gertson and second of Director Hollander, the Board unanimously approved the 2018 regular special district election resolution calling the election, designating the designated election official and authorizing cancellation of the election if it is uncontested, among other things.

Financial Matters – Financial Statements:

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 Gertson, the Board unanimously accepted the financial statements.

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Financial Matters – 2018
Budget Hearing and
Action:

Upon motion of Director Wyszynski and second of Director Hollander, the Board unanimously approved opening a public hearing on the proposed 2018 budget consistent with published public notice. Mr. Collins reviewed with the Board a proposed 2018 budget. Public comment on the proposed 2018 budget was received from Randy Winsett and Deb Hickerson. Public comments focused mainly on the amount of District's mill levies, impact thereof on sale and resale of homes, the financial condition of the District, and the mill levy rates of other Oakwood communities in Colorado. Upon motion of Director Gertson and second of Director Wyszynski, the Board unanimously approved closing public hearing on the proposed 2018 budget. The Board discussed the proposed 2018 budget. Director Rau noted that the District's mill levies are comparable to that of special districts across the State and that other communities in the area that have lower comparable mill levies have HOAs which assess HOA fees whereas Thompson River Ranch does not have HOA fees. Upon the motion of Director Leder and second of Director Gertson, the Board unanimously approved adopting a resolution approving the 2018 proposed budget, approving appropriation of funds to the approved budget and certifying the mill levy.

Financial Matters –
Ratify Acceptance and
Filing of 2016 Audit:

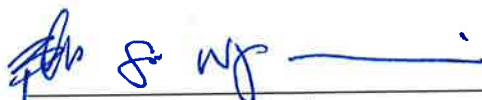
Mr. Collins reviewed the audit of the 2016 audited financial statements of the District. After review and discussion and upon the motion of Director Wyszynski and second of Director Leder, the Board unanimously accepted the audit of 2016 audited financial statements and ratified Mr. Collins' filing with the State Auditor.

Other Business:

After review and discussion and upon the motion of Director Wyszynski and second of Director Gertson, the Board unanimously approved engaging the same auditor for the 2017 audit with no more of an increase than 3% in fees.

Adjournment:

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


Secretary of the Meeting