

**MINUTES OF THE ORGANIZATIONAL MEETING
OF THE BOARD OF DIRECTORS OF THE
CHAPARRAL POINTE METROPOLITAN DISTRICT
HELD
DECEMBER 13, 2018**

The organizational meeting of the Board of Directors of Chaparral Pointe Metropolitan District (“Board”) was held Thursday, December 13, 2018, at 10:00 a.m., at the Century Communities office at 9475 Briar Village Pt., Suite 125, Colorado Springs, Colorado 80920.

Attendance

In attendance were Directors:

Jeffery D. Mattson
Sarah L. Darneal
Michael J. Fenton
Peter S. Searle

Also in attendance were:

Elisabeth Cortese; McGeady Becher P.C.
Carrie Bartow, Josh Miller, and Chelsea Gondeck; CliftonLarsonAllen
LLP

Administrative
Matters

Disclosure of Conflicts of Interest: The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Secretary of State. The members of the Board were requested 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 Statute. No additional disclosures were made. Attorney Cortese noted that disclosures of potential conflicts of interest were filed with the Secretary of State for all Directors.

Agenda: Following discussion, upon a motion made by Director Fenton, seconded by Director Searle, and upon vote, unanimously carried, the Board approved the Agenda, 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, and upon a motion made by Director Fenton, seconded by Director Searle and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated date, time and location. The Board further noted that notice of this location was duly posted and that they have not received any objections or any requests that the meeting place be changed by taxpaying electors within its boundaries.

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Confirm Filing of Oaths of Office and Organizational Documents: It was confirmed by Attorney Cortese that the oaths of office and organizational documents have been filed with the proper entities.

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

President – Mike Fenton
Secretary – Sarah Darneal
Treasurer – Peter Searle
Assistant Secretary – Jeff Mattson

Public Comment: There was no public comment.

Engagement of McGeady Becher P.C. as District Counsel: Following discussion, upon motion duly made by Director Searle, seconded by Director Mattson and, upon vote, unanimously carried, the Board approved the engagement of McGeady Becher P.C. as District Counsel.

Engagement of CliftonLarsonAllen LLP as District Manager and Accountant: Following discussion, upon motion duly made by Director Searle, seconded by Director Mattson and, upon vote, unanimously carried, the Board approved the engagement of CliftonLarsonAllen LLP as District Manager and Accountant.

Cash Access Addendum Between the District and CliftonLarsonAllen LLP: Following discussion, upon motion duly made by Director Searle, seconded by Director Mattson and, upon vote, unanimously carried, the Board approved the Cash Access Addendum.

Resolution No. 2018-12-01 Authorizing District Insurance Coverage through the Colorado Special Districts Property and Liability Pool and the Special District Association: Attorney Cortese reviewed the statutory requirements for insurance coverage with the Board. Following discussion, upon motion duly made by Director Searle, seconded by Director Darneal and, upon vote, unanimously carried, the Board determined to obtain public officials' liability, general liability, and comprehensive crime insurance coverage through the Colorado Special Districts Property and Liability Pool, to join the Special District Association ("SDA") and approve the Agency Services Agreement with T. Charles Wilson for insurance agency services. Upon motion duly made by Director Searle, seconded by Director Darneal, and upon vote, unanimously carried, the Board approved Resolution No. 2018-12-01 to obtain insurance coverage through the Colorado Special Districts

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Property and Liability Pool, join the SDA and approved the Agency Services Agreement with T. Charles Wilson.

Resolution No. 2018-12-02 Establishing Regular Meeting Dates, Times, and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices: The Board considered Resolution No. 2018-12-02 Establishing Regular Meeting Dates, Time and Location and Designating Locations for Posting of 72-Hour and 24-Hour Notices. Following discussion, upon motion duly made by Director Searle, seconded by Director Darneal and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-12-02, scheduled a regular meeting in 2019 for Tuesday, December 10, 2019, at 10:00 a.m., at the offices of Century Communities, 9475 Briar Pointe Village, Suite 125, Colorado Springs, in El Paso County, Colorado, and appointed Director Fenton the representative to post notices within the District, and appointed Josh Miller as an alternate.

Financial Matters

Federal Employer Identification Number (“FEIN”), Sales Tax Exemption and PDPA Numbers: Following discussion, upon a motion duly made by Director Fenton, seconded by Director Mattson and, upon vote, unanimously carried, the Board approved the execution of the following documents and authorized the District Accountant to apply for the required numbers:

1. Application for FEIN;
2. Application for Sales Tax Exemption for Colorado; and
3. Application for Assignment of PDPA Number for Public Funds Deposited in Banks.

Investment Policy: Following discussion, upon motion duly made by Director Fenton, seconded by Director Mattson and, upon vote, unanimously carried, the Board approved of the establishment of a policy authorizing investments in accordance with state statutes.

Director Fees: The Board discussed the payment of Directors’ Fees as allowed under the statute. Following discussion, the Board determined to not pay Directors’ Fees at this time.

Preparation of 2018 and 2019 Budgets: Following discussion, upon motion duly made by Director Fenton, seconded by Director Mattson and, upon vote, unanimously carried, the Board ratified the appointment of CliftonLarsonAllen LLP to prepare the District’s 2018 and 2019 Budgets.

Conduct Public Hearing on 2018 Budget: Director Fenton opened the public hearing to consider the proposed 2018 Budget and to discuss related issues.

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It was noted that Notice stating that the Board would consider adoption of the 2018 Budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing.

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

Following discussion, the Board considered the adoption of Resolution No. 2018-12-03 to Adopt the 2018 Budget and Appropriate Sums of Money. Upon motion duly made by Director Searle, seconded by Director Mattson and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-12-03 and authorized execution of the Certification of Budget.

Conduct Public Hearing on 2019 Budget: Director Fenton opened the public hearing to consider the proposed 2019 Budget and to discuss related issues.

It was noted that Notice stating that the Board would consider adoption of the 2019 Budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing.

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

Ms. Bartow reviewed the 2019 Budget with the Board. Following discussion, the Board considered the adoption of Resolution No. 2018-12-04 to Adopt the 2019 Budget and to Appropriate Sums of Money and Resolution No. 2018-12-05 to Set Mill Levies (General Fund: 10 mills). Upon motion duly made by Director Searle, seconded by Director Mattson and, upon vote, unanimously carried, the Board adopted Resolution Nos. 2018-12-04 and 2018-12-05 and authorized execution of the Certification of Budget and Certification of Mill Levies, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2018. The District Accountant was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of El Paso County and the Division of Local Government not later than December 15, 2018. District Counsel was authorized to transmit the Certification of Budget to the Division of Local Government no later than January 30, 2019.

Discuss and Consider Establishment of the District's Operating Account and Authorize All Board Members to Be Signers on the Account: Following discussion, upon motion duly made by Director Fenton, seconded by Director Searle and, upon vote, unanimously carried, the Board approved establishing the District's operating account with FirstBank, authorized all Board members to be signers on the account

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and adopted a policy requiring two signatures on all checks. The Board directed the District Accountant to handle this matter. Mr. Miller discussed Bill.com with the Board. The Board requested Mr. Miller provide information to District Counsel regarding confidentiality provisions.

Preparation of 2020 Budget: Following discussion, upon motion duly made by Director Fenton, seconded by Director Darneal and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2020 Budget.

2018 Application for Exemption from Audit: Following discussion, upon motion duly made by Director Searle, seconded by Director Mattson and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare and file the 2018 Application for Exemption from Audit.

Legal Matters

Operation Funding Agreement Between the District and Century Land Holdings, LLC: Following discussion, upon motion duly made by Director Fenton, seconded by Director Mattson and, upon vote, unanimously carried, the Board approved the Operation Funding Agreement between the District and Century Land Holdings, LLC.

Facilities Acquisition Agreement Between the District and Century Land Holdings, LLC: Following discussion, upon motion duly made by Director Fenton, seconded by Director Mattson and, upon vote, unanimously carried, the Board approved the Facilities Acquisition Agreement between the District and Century Land Holdings, LLC.

Resolution No. 2018-12-06 Providing Policy Regarding Recording of Public and Executive Session Meetings: Following discussion, upon motion duly made by Director Fenton, seconded by Director Searle and, upon vote, unanimously carried, the Board approved Resolution No. 2018-12-06 Providing Policy Regarding Recording of Public and Executive Session Meetings.

Resolution No. 2018-12-07 Providing for the Defense and Indemnification of Directors and Employees of the District: Following discussion, upon motion duly made by Director Fenton, seconded by Director Searle and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-12-07 Providing for the Defense and Indemnification of Directors and Employees of the District.

Resolution No. 2018-12-08 Declaring the District's Intent to Reimburse Expenditures with the Proceeds of Future Tax-Exempt Bonds: Following discussion, upon motion duly made by Director Fenton, seconded by Director Searle and, upon vote, unanimously carried, the Board adopted

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Resolution No. 2018-12-08 Declaring the District’s Intent to Reimburse Expenditures with the Proceeds of Future Tax-Exempt Bonds.

Resolution No. 2018-12-09 Declaring the District’s Intent to Reimburse Developer for Advances for Operations, Maintenance and Capital Expenses: Following discussion, upon motion duly made by Director Fenton, seconded by Director Searle and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-12-09 Declaring the District’s Intent to Reimburse Developer for Advances for Operations, Maintenance and Capital Expenses.

Resolution No. 2018-12-10 Regarding Colorado Open Records Act Requests: Following discussion, upon motion duly made by Director Fenton, seconded by Director Searle and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-12-10 Regarding Colorado Open Records Act Requests.

Resolution No. 2018-12-11 Regarding the Retention and Disposal of Public Records and Adopting a Public Records Retention Schedule: Following discussion, upon motion duly made by Director Fenton, seconded by Director Searle and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-12-11 Regarding the Retention and Disposal of Public Records and Adopting a Public Records Retention Schedule.

Resolution No. 2018-12-12 Regarding the Imposition of District Fees: Following discussion, upon motion duly made by Director Fenton, seconded by Director Searle and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-12-12 Regarding the Imposition of District Fees.

Ownership, Operation, and Maintenance of Detention Pond: Director Fenton noted that the detention pond will be conveyed to the District for operations and maintenance. It is anticipated that the developer will cover the costs through completion.

Cost Sharing Agreement (Integrity Center Point Road) By and Between Barnes Center Property Owners Association, Inc. and Century Land Holdings, LLC: Following discussion, the Board acknowledged the Cost Sharing Agreement (Integrity Center Point Road) by and between Barnes Center Property Owners Association, Inc. and Century Land Holdings, LLC (“Century”) and the intention of Century to assign the Agreement to the District.

Covenant Enforcement/Design Review

Covenant Enforcement and Design Review Services for the District:
The Board discussed covenant enforcement and design review services for the District.

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Resolution No. 2018-12-13 Declaring the District’s Intent to Adopt Design Guidelines of Chaparral Pointe: Following discussion, upon motion duly made by Director Fenton, seconded by Director Searle and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-12-13 Declaring the District’s Intent to Adopt Design Guidelines of Chaparral Pointe.

Resolution No. 2018-12-14 Declaring the District’s Intent to Adopt the Declaration of Covenants and Restrictions of Chaparral Pointe: Following discussion, upon motion duly made by Director Fenton, seconded by Director Searle and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-12-14 Declaring the District’s Intent to Adopt the Declaration of Covenants and Restrictions of Chaparral Pointe.

Resolution No. 2018-12-15 Declaring the District’s Intent to Adopt Policies and Procedures Governing the Enforcement of the Covenants and Restrictions of Chaparral Pointe: Following discussion, upon motion duly made by Director Fenton, seconded by Director Searle and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-12-15 Declaring the District’s Intent to Adopt Policies and Procedures Governing the Enforcement of the Covenants and Restrictions of Chaparral Pointe.

Construction Matters

Discuss 2018 and 2019 Development/Construction Outlook: Director Fenton reported the model is scheduled to be opened in August of 2019 with the first closings to occur in October 2019 with a full build out to be completed in two and a half years.

Engagement of Independent Engineer for Cost Verification Services: Following discussion, upon motion duly made by Director Fenton, seconded by Director Darneal and, upon vote, unanimously carried, the Board approved a Service Agreement for Cost Verification Services with M&S Civil Consultants, Inc.

Other Business

Consent to be Listed on McGeady Becher P.C. Website: Following discussion, upon motion duly made by Director Fenton, seconded by Director Searle and, upon vote, unanimously carried, the Board approved the Consent to be listed on McGeady Becher P.C.’s website.

Adjournment

With no further business to discuss, upon a motion duly made by Director Searle, seconded by Director Mattson and, upon vote, unanimously carried, the Board adjourned the meeting.

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DocuSigned by: Respectfully submitted,
Sarah Darneal
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Secretary for the Meeting