

# RECORD OF PROCEEDINGS

---

## MINUTES OF THE REGULAR MEETING OF FOUNDRY LOVELAND METROPOLITAN DISTRICT

HELD

October 19, 2017

The Board of Directors of the Foundry Loveland Metropolitan District held a regular meeting, open to the public, at the offices of Pinnacle Consulting Group, Inc. at 550 West Eisenhower Boulevard, Loveland Colorado 80538; at 3:00 p.m. Thursday, October 19, 2017.

ATTENDANCE: A regular meeting of the Board of Directors of Foundry Loveland Metropolitan District was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualifications to serve on the Board, were in attendance:

Directors in Attendance:

Shannon Stearman, President  
Jay Hardy, Vice President (via teleconference)  
Peter Yoo, Treasurer (via teleconference)

Also in Attendance:

Alan Pogue, Esq.; Icenogle Seaver Pogue, P.C. (via teleconference)  
Sherman Miller; Brue-Baukol Capital Partners  
Casey Hicks; Brinkman Partners  
Tom Flock, Amanda Castle, and Darcy Chilton; Pinnacle Consulting Group, Inc.

CALL TO ORDER The meeting was called to order at 3:08 p.m. by Director Stearman.

CONFLICT OF INTEREST DISCLOSURE Mr. Pogue noted that notices of potential conflicts of interest for all Board Members were filed with the Colorado Secretary of State's office and with the District's Board. Mr. Pogue advised the Board that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Board reviewed the agenda for the meeting, following which each Board Member present confirmed the contents of the 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.

APPROVAL OF AGENDA The Board reviewed the agenda. Upon motion duly made by Director Stearman, and seconded by Director Yoo, it was unanimously

# RECORD OF PROCEEDINGS

---

**RESOLVED** to approve the agenda, as amended.

APPROVAL OF  
MINUTES

The minutes of the regular meeting held on May 18, 2017 were presented. Upon motion duly made by Director Hardy, and seconded by Director Yoo, it was unanimously

**RESOLVED** to approve the minutes of the May 18, 2017 regular meeting, as amended.

The minutes of the special meeting held on July 20, 2017 were presented. Upon motion duly made by Director Hardy, and seconded by Director Yoo, it was unanimously

**RESOLVED** to approve the minutes of the July 20, 2017 special meeting, as presented.

BOARD MEMBER  
APPOINTMENT

Mr. Pogue reported that a call for interested candidates to fill the Board vacancy was published on September 18, 2017. The District did not receive any additional letters of interest to serve on the Boards. Sherman Miller has agreed to serve and is qualified to serve on the Boards. Upon motion duly made by Director Hardy, seconded by Director Yoo, and upon vote, unanimously carried, it was

**RESOLVED** to approve the appointment of Sherman Miller to serve on the Board of Directors to fill the term expiring May of 2018.

FINANCIAL ITEMS

Ms. Castle presented the check detail for the period July 1, 2017 through August 31, 2017, totaling \$69,181.33, for Board review and consideration of ratification and approval. Following review and discussion, upon motion duly made by Director Stearman, seconded by Director Yoo and, upon vote, unanimously carried, it was

**RESOLVED** to ratify approval of the claims in the amounts and for the check numbers listed above.

2017 BUDGET  
AMENDMENT

Director Stearman opened the 2017 Amended Budget Hearing for District No. 1 to the public. Manager Flock reported that notice of the hearing had been published on October 12, 2017 in accordance with state budget law. There being no public input, the public hearing portion of the budget discussions was closed.

Ms. Castle presented the District No. 1 Amended 2017 Budget and answered questions. The District's 2017 Budget Amendment Resolution provides for an increase in appropriated expenditures for 2017 to the following amount:

# RECORD OF PROCEEDINGS

---

District No. 1, Service District:  
General Fund Expenditures: \$79,017

After further review and discussion, and upon motion made by Director Stearman, and seconded by Director Miller, it was unanimously

**RESOLVED** to approve the District No. 1 2017 Budget Amendment Resolution and appropriate budgeted funds.

---

## 2018 BUDGET HEARING & ADOPTION

Director Stearman opened the 2018 Budget Hearing for Districts No. 1 to the public. Manager Flock reported that notice of the hearing had been published on October 12, 2017 in accordance with state budget law. There being no public input, the public hearing portion of the budget discussions was closed.

Ms. Castle presented the 2018 Budget for District No. 1. The Board discussed the PIF collections being collected privately and not being collected through the District, which would reduce the contingency to \$5,000. The Board discussed amending the Mill Levy to 30 mills- URA Agreement is 25 mills. URA captured by LURA and agreed to give back. The Board also discussed meeting for quarterly meetings opposed to monthly Board Meetings. The Board reviewed the budget, which detailed estimated revenues and expenditures for the District with the following mill levies:

District No. 1:  
Mill Levy is 30.00 mills  
General Fund Expenditures \$64,527

After further review and discussion, and upon motion duly made by Director Stearman, and seconded by Director Miller, it was unanimously

**RESOLVED** to approve the Resolution to Adopt the 2018 Budget for District No. 1, Certify Mill Levy upon final certification of value received from Larimer County on or before December 10, 2017 and Appropriate budgeted funds as discussed and approved by the Board at the meeting, adjusting PIF revenue to be collected privately and not through the District. Pinnacle Consulting Group, Inc. as District Manager is authorized to make minor modifications necessary following receipt of final assessed values.

---

## LEGAL ITEMS

Directors Parcel: The Board discussed the new location within the District for the Directors Parcel. Director Stearman reported that the hotel site is currently being used for the directors' parcel although it will no longer be an option once the hotel closes, therefore the Board will need to identify a new parcel with a possible zero lot line layout. Director Stearman reported that the hotel site could be considered for the Director Parcel which is scheduled to close December 15, 2017 but she is unclear of a Deed of Trust will be issued at that time. The District

## RECORD OF PROCEEDINGS

---

can agree to subordinate to Deed of Trust with both lenders to meet the 90-day notice requirement by the bank.

Consider Approval of First Amendment to District Pledge Agreement: Mr. Pogue reported to the Board that the Pledge Agreement has been approved by the City of Loveland.

Consider Approval of First Amendment to 2017 Foundry Reimbursement Agreement with The Foundry Loveland, LCC, and Authorizing the Refunding of the 2017 Promissory Note and Issuance of a 2018 Promissory Note for operational advances: Mr. Pogue presented to the Board the First Amendment to 2017 Foundry Reimbursement Agreement with The Foundry Loveland, LCC. The Board discussed reimbursing the Foundry Loveland, LLC for \$165,000 in the year 2017 and for \$65,000 in the year 2018 totaling \$230,000 for operational advances for both 2017, and 2018. Following review and discussion, upon motion duly made by Director Stearman, seconded by Director Yoo and, upon vote, unanimously carried, it was

**RESOLVED** to Approve of First Amendment to 2017 Foundry Reimbursement Agreement with The Foundry Loveland, LCC, and Authorizing the Refunding of the 2017 Promissory Note and Issuance of a 2018 Promissory Note for operational advances, in an amount not to exceed \$230,000.

Approval of 2018 Election Resolution: Mr. Pogue presented the 2018 Election Resolution noting that Director Miller's seat will be up for re-election for a 4-year term in addition to the current vacant position that will be up for election of a 4-year term. Upon motion duly made by Director Stearman, seconded by Director Yoo, and upon vote, it was unanimously

**RESOLVED** to approve the 2018 Election Resolution.

Annual Administration Resolution: Mr. Pogue presented the 2018 Annual Administrative Matters Resolution; noting that it outlines the operations of the Board, directs District's legal counsel and consultants in their administration of the District and directs them to make all necessary compliance filings. Upon motion duly made by Director Stearman, seconded by Director Yoo, and upon vote, it was unanimously

**RESOLVED** to approve the 2018 Annual Administrative Resolution; reaffirm the current slate of officers; appoint Icenogle Seaver Pogue, P.C. Legal Counsel, and appoint Pinnacle Consulting Group Inc., District Manager, Accountant and Administrator.

Approval of Plaza Maintenance Plan: Mr. Pogue reported to the Board the District will enter into an Intergovernmental Agreement for a later date and a formal document regarding the Intergovernmental Agreement will be presented at the next regular Board meeting.

## RECORD OF PROCEEDINGS

---

Approval of IGA with Loveland Urban Renewal Authority Concerning Tax Revenues for Operations and Maintenance Expenses: The Board determined to table discussion of this matter to the regular meeting in November.

Approval of Patio License and Encroachment Agreements: Mr. Pogue reported that the Patio License and Encroachment Agreements are related to potential merchandise that will be located on patios. The lease terms are between 25-30-year terms and will not begin until the hotel is open.

---


### ADJOURNMENT

There being no further business to come before the Board at this time the meeting was adjourned at 4:11 p.m.

---

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Respectfully submitted,

  
\_\_\_\_\_  
Darcy Chilton, Secretary for the Meeting