

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE TRAILMARK METROPOLITAN DISTRICT HELD

JUNE 16, 2009

A regular meeting of the Board of Directors of the TrailMark Metropolitan District (referred to hereafter as "Board") was held on Tuesday, June 16, 2009, at 6:30 p.m., at the TrailMark Learning Center, 9743 South Carr Way, Littleton, Colorado. This meeting was open to the public.

ATTENDANCE

In attendance were Directors:

Timothy N. Strunk
Sherman M. Steed
Robert G. Chavez
Jack A. Parsons
Karen A. Millspaugh

Also in attendance were:

Joel Meggers; Community Resource Services ("CRS")
Blair Leisure, IRIS Mitigation and Design
Dawn Schilling, CPA, Shilling and Company, Inc.

CALL TO ORDER Director Strunk called the meeting to order at 6:30 p.m.

ADMINISTRATIVE Agenda: Mr. Meggers presented the Board with the proposed
ITEMS agenda. Following discussion, upon a motion by Director Millspaugh and a second by Director Chavez the Board voted unanimously to approve the agenda as amended.

Minutes: The Board reviewed the minutes of the April 21, 2009 regular meeting and the June 2, 2009 special meeting. Following discussion, upon motion made by Director Steed, seconded by Director Millspaugh and, upon vote unanimously carried, the Board approved the minutes of the April 21, 2009 and June 2, 2009 meetings as presented.

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construction and he will take the lead in posting public documents and making further improvements.

Public comments: Director Strunk explained and summarized for the public the timeline, design and construction process for the community center project.

Approval of Community Center Election: Upon discussion, motion by Director Steed and a second by Director Chavez, the Board unanimously agreed to move forward with the community center project based upon the May 15, 2009 election/survey results.

MAINTENANCE AND OPERATIONAL ITEMS

TrailMark Stormwater Treatment System 2008 Annual Report: Ms. Leisure provided an update and a breakdown of costs as they relate to the maintenance and operation of Fairview Reservoir #1, Beaver Pond and Ponds A and G. Ms. Leisure reported the following costs:

- Fairview Reservoir # 1: not to exceed \$7, 000
- Beaver Pond: not to exceed \$7,500
- Pond A: not to exceed \$4,565
- Pond G: not to exceed \$ 1750

Upon review and discussion, motion by Director Steed and a second by Director Chavez, the Board unanimously approved the costs.

Update on the New Signage Installation: Director Strunk reported that work on the installation of the new signage has been completed.

Update on Cost Sharing of Plant Materials Surrounding the Solar Aerator Panels: Director Millspaugh reported that they are currently awaiting the bill from the HOA.

Bulletin Board at Hogback Hill Park: Director Strunk reported that the bulletin board has been installed and completed and they are awaiting the bill from South Suburban Park and Recreation District. Mr. Strunk reminded the Board that the bill should have a \$100 credit to compensate for damages done by the field crew to the open space signage.

2009 Fence Painting Progress: It was reported that due to the wet spring season, only work to prepare the fence for painting has been done. The Board will defer the update on the status of painting

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until the next regular meeting. The Board indicated the contractors have been notified to paint the lift station and the daycare center prior to painting the fence.

FINANCIAL MATTERS

Review and Approve 2008 Audit: Ms. Schilling presented the draft 2008 audit to the Board. Upon review and discussion, the Board requested Ms. Schilling amend the TABOR language on page 17 relating to the temporary mill levy. Upon motion by Director Chavez and a second by Director Steed, the Board unanimously approved the 2008 audit based on final management and legal review.

Review, Ratify and Approve Payment of Claims: Mr. Meggers requested the Board consider ratification and payment of the claims. Director Parsons moved the Board approve the payment of claims as presented. Upon second by Director Steed, vote was taken and motion carried 4-0-1 with Director Strunk abstaining from the vote.

Review August 31, 2008 Cash Position: The Board reviewed and accepted the cash position as presented by Mr. Meggers.

Review Financial Statements

The Board reviewed and accepted the financial statements for the period ending May 31, 2009 presented by Mr. Meggers.

CAPITAL IMPROVMENTS

Summary Report of June 9, 2009 District/HOA joint Meeting:

Director Strunk presented correspondence drafted by Director Millspaugh stating that the joint meeting went well and summarizing the meeting items. He noted the letter had been circulated and revised pursuant to various comments received. The letter is attached to this record of proceedings.

Status of Request for Proposal for Design Team: Mr. Meggers presented the Board with an update of those firms requesting a copy of the Request for Proposal. He reminded the Board of the 2:00 p.m. deadline on June 26, 2009 for submitting a bid.

Review and Approve Proposal from Financial Advisor to Present Funding Options: Mr. Meggers presented the Board with a proposal from Bruce O'Donnell to act as the District's Financial Advisor. Upon motion by Director Chavez and second by Director Parsons, the Board unanimously approved an amount not to exceed \$2,500 for financial services.

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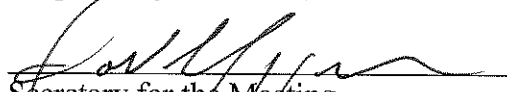
After further discussion, motion by Director Steed, second by Director Parsons, the Board unanimously approved increasing the Community Resource Services fee from \$25,000 to \$30,000 to coordinate and manage the community center project as well as conduct the election.

Discuss Fall Election Timeline: Mr. Meggers presented the Board with the fall election timeline.


ADJOURNMENT

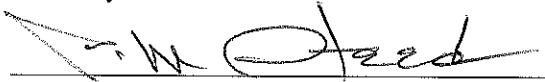
There being no further business to come before the Board, upon motion duly made by Director Millspaugh, seconded by Director Chavez, the meeting was adjourned.

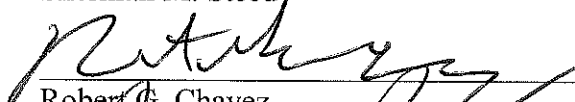
Respectfully submitted,


Secretary for the Meeting

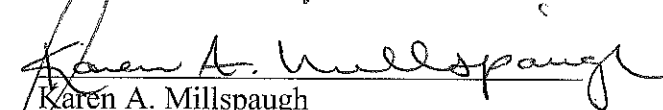
THESE MINUTES ARE APPROVED AS THE OFFICIAL JUNE 16, 2009 MINUTES OF THE TRAILMARK METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Timothy N. Strunk


Sherman M. Steed


Robert G. Chavez


Jack A. Parsons


Karen A. Millspaugh

June 16, 2009

A Joint Letter from the Boards of the TrailMark Metropolitan District and the TrailMark Homeowner's Association

Both the TMMD and the HOA Boards of TrailMark have noticed some erroneous information circulating in the TrailMark Neighborhood via the internet. The members of both Boards would like to answer some of the questions and correct this information. That being said, we believe that we would like to let our neighbors know the scope of responsibilities of each organization.

The TrailMark HOA has responsibility for the routine maintenance of association-owned properties, better known as "common areas." The HOA is responsible for covenant control issues and establishes rules and regulations to maintain the highest quality and value community as a neighborhood of the high quality and value of our community. This is to enhance and protect TrailMark's value, desirability and attractiveness as a community. The HOA tasks include: providing for landscaping and watering of common areas; contracting for trash and snow removal; processing design reviews for painting, additions and improvements of individual properties and common properties; monitoring covenants and processing violations; planning and supporting social events; and promoting safety in the neighborhood.

In 1998, the TrailMark Metro District was formed (then called Chatfield Greens) by Shea Homes and the City of Littleton. The Metropolitan District was formed to finance the infrastructure and public improvements within TrailMark; to own and hold the water rights of TrailMark, including the reservoirs and detention ponds; and to provide for recreation services under an agreement with SSPRD. In 1999, Tim Strunk researched Metro District responsibilities and finances and, in 2002, he and Bob Chavez became the first Metropolitan District Homeowner Board members. They are still on the current TrailMark Metro District Board. After the community was complete, the Shea members of the Board resigned and now there are five TrailMark community members on the TrailMark Metropolitan District Board. TMMD is a "quasi-governmental" organization that is charged with financing the debt and constructing improvements. The TMMD can borrow monies and pay for improvements in TrailMark. Both the TMMD and HOA Boards ask that TrailMark neighbors read the TrailMark Metro District Service Plan which answers many questions and provides further information as to the TMMD's authority and responsibility. This will be placed on the TrailMark Metro District website very soon.

Some have asked whether the TMMD has the authority to build and tax neighbors for improvements. The Metro District Service Plan, signed in 1998, establishes these facts:

*that the TMMD "will provide certain essential public purpose facilities for the use and benefit of its taxpayers." "The major purpose of the District is to finance and construct public improvements ..." (Page 3)

*that the types of improvements are: sanitation, water, street improvements, safety protection improvements, and parks and recreation. (Pages 5-9) Neighbors are asked to read Page 9 in the Service Plan because it states that "the District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of parks and recreational facilities. Again, the TMMD website will include the entire Service Plan for neighbors to read as it is public record.

Some residents of TrailMark have asked for a lawyer's opinion as to whether C.R.S. 32-1-107(3) would be violated by the TMMD building and financing a clubhouse and pool within the TrailMark community.

The TrailMark HOA is currently soliciting a legal opinion from their attorneys. However, the TrailMark Metro District has received an opinion from the attorneys at White, Bear and Ankele. That opinion, given in red, is as follows:

"This subsection [C.R.S. 32-1-107(3)] allows the overlapping of districts if the following criteria are met:

(1) The governing body of the municipality approving the service plan approves the inclusion of the overlapping service as part of the plan. "In the case of the District, the City of Littleton approved the service plan with the park and recreation authority recognizing that it overlapped with South Suburban Park and Recreation District and South Suburban consented to the overlap through an agreement with the district."

(2) The improvements or facilities to be financed, established or operated by the overlapping special district for the provision of the same service as the existing special or metropolitan district do not duplicate or interfere with any other improvements or facilities already constructed or planned to be constructed within the portion of the existing special or metropolitan district that the overlapping special district overlaps or will overlap." The answer the TMMD received was "whether or not the construction of a clubhouse and swimming pool would interfere with or duplicate any other improvements already constructed or planned for the area within the District is a facts and circumstance issue. I am not aware, however, of any similar facilities within the vicinity of the District. I believe the nearest similar facility owned by South Suburban is approximately 10 miles from the District."

(3) The board of directors of any special district or metropolitan district authorized to provide a service within the boundaries of the overlapping area consents to the overlapping special district providing the same service." "However, the Amended and Restated Intergovernmental Agreement with South Suburban dated December 14, 2005, does require that the District get consent from (the) South Suburban (Parks and Recreation District) for any new park and recreation improvements."

With this legal opinion in mind, the TMMD is working with South Suburban Parks and Recreation District to receive this consent. The TMMD will report to the TrailMark residents when this has been accomplished.

In summary, it is hoped that this information clearly delineates the responsibilities of both the TrailMark Metropolitan District and the TrailMark Homeowner's Organization. It is also

hoped that it answers two of the biggest questions that residents have voiced about the responsibilities of the TMMD and any possible duplication of services. We would hope that when a question or problem arises, neighbors will be address their concerns to the Board that is responsible for that issue. Any questions or issues regarding the TrailMark Clubhouse/Pool should be addressed to the TMMD. Any question or issue that involves covenants, trash, design, landscaping, snow removal and common areas should be addressed to the HOA.

Both the TMMD and the HOA have websites. They are:

TrailMark Homeowner's Association: trailmarkhoa.org

TrailMark Metropolitan District: tmmd.org (coming soon.)

There will be links on each website to the TMMD's "Service Plan" and any other public record agreements; as well as, minutes of the meetings of both TrailMark HOA meetings and the TrailMark Metro District meetings. Both Boards strongly urge residents to attend as many meetings as is possible, to stay current and informed and to provide input and feedback. The dates and times of the meetings are in the published in the newsletter and will be placed on the websites.

Both Boards will be updating their information on the websites and in the TrailMark *Tracks* newsletter. Questions will be answered on the websites and in the newsletter. The Web Manager will send your questions to the proper committee or Board Members so that both Boards can review them and respond in a timely manner.

We thank you for your cooperation and support of the TrailMark Homeowner's Association/HOA Board and the TrailMark Metropolitan District/TMMD Board. We appreciate all who have attended the meetings and those of who have participated and given input into the decisions that have shaped our neighborhood.

Sincerely,

TrailMark HOA Board Members: Stephen McKeon, Mike McMahon, Karen Millspaugh, Michael Glade and Sharon Gambrell-Elms

TrailMark Metropolitan District: Tim Strunk, Bob Chavez, Jack Parsons, Sherm Steed and Karen Millspaugh

