RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE VISTA RIDGE METROPOLITAN DISTRICT HELD MARCH 20, 2014

A regular meeting of the Board of Directors of the Vista Ridge Metropolitan District (referred to hereafter as the "Board") was convened on Thursday, the 20th day of March, 2014, at 8:00 A.M., at the Vista Ridge Community Center, 2750 Vista Parkway, Erie, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:
Daniel Fishman
Michael Lund
Richard Cori

Following discussion, upon motion duly made by Director Fishman, seconded by Director Cori and, upon vote, unanimously carried, the absences of Christopher Koch and James Spehalski were excused.

Also In Attendance Were:
Lisa A. Johnson and Dan Cordova; Special District Management Services, Inc.

Holly Thede; HOA Manager, MSI

Ronda Grassi; Mayor Pro-Tem, Town of Erie
Margaret Lauffenburger; Resident – 2095 Heritage Place
Judy Bradford; Resident – 1923 Briarwood Pl.
Lisa Dickinson; Resident – 1214 Hickory Pl.
Gary and Judy Fisher; Residents – 2299 Links Pl.
Pat Tackwell; Resident – 1161 Hickory Pl.
Leonard Smith; Resident – 1217 Links Pl.
Robert Greenlee; Resident – 2321 Links Pl.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board noted it was in receipt of disclosures of potential conflict of interest statements for each of the Directors and that statements had been filed with the Secretary of State at least seventy-two hours in advance of the meeting in accordance with the statute. Ms. Johnson requested that the Directors consider whether they had any new conflicts of interest which had not been previously disclosed. There were no additional disclosures made.

PUBLIC COMMENT

Ms. Grassi addressed the Board with questions about the current debt structure, when will it be fully retired, when can the District re-finance the current debt and

who are the current Board of Directors. Director Lund and Ms. Johnson answered her questions.

Ms. Lauffenburger asked if the District has been successful in paying down the debt requirements early. She also asked if the District has a landscape committee and if consideration has been given to replacement of the trees on Mountain View Boulevard and Skyline Drive with a different type of species. The Board and Mr. Cordova advised her on the annual process for landscape enhancements.

Ms. Bradford, who represents the Heritage HOA, asked if the Board will consider treating the trees on Mountain View Boulevard for the fungus that is causing needle blight. The Heritage HOA has spent money to treat the affected trees in their area and would like the District to do the same. Mr. Cordova advised that the Board will consider a proposal later in the meeting to treat the trees in a similar manner to the treatment the Heritage HOA has implemented.

The remaining attendees were seeking the opportunity to speak with Director Spehalski regarding a recent approval of the design of a home that is being built in the custom home area. Ms. Johnson informed the group that she would be happy to pass along their contact information and ask Director Spehalski to contact them.

ADMINISTRATIVE MATTERS

Agenda: Ms. Johnson requested that the Board review and approve the proposed Agenda for the District's regular Board meeting.

Following discussion, upon motion duly made by Director Fishman, seconded by Director Cori and, upon vote, unanimously carried, the Agenda was approved.

Minutes: The Board reviewed the Minutes of the November 21, 2013 regular meeting.

Following discussion, upon motion duly made by Director Lund, seconded by Director Fishman and, upon vote, unanimously carried, the Minutes of the November 21, 2013 regular meeting were approved.

Resolution No. 2014-03-01 regarding 24-hour posting place: The Board considered Resolution No. 2014-03-01 designating the place at which notice will be posted at least 24 hours prior to each meeting.

Following review, upon motion duly made by Director Lund, seconded by Director Cori and, upon vote, unanimously carried, the Board adopted Resolution No. 2014-03-01 as presented. A copy of the Resolution is attached hereto and incorporated herein by this reference.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims through the period ending December 13, 2013 totaling $30,155.55 for general fund expenses, for the period ending January 16, 2014 totaling $28,297.07 for general fund expenses, and for the period ending February 16, 2014 totaling $19,155.98 for general fund expenses.

Following discussion, upon motion duly made by Director Fishman, seconded by Director Cori and, upon vote, unanimously carried, the Board ratified approval of the payment of claims for the period ending December 13, 2013 totaling $30,155.55, for the period ending January 16, 2014 totaling $28,297.07, and for the period ending February 16, 2014 totaling $19,155.98.

The Board then considered approval of the payment of claims through the period ending March 20, 2014, totaling $36,822.75 for general fund expenses.

Following discussion, upon motion duly made by Director Fishman, seconded by Director Lund and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending March 20, 2014 as presented.

Financial Statements: Ms. Johnson presented the unaudited financial statements for the period ending February 28, 2014, the schedule of cash position for the period ending February 28, 2014 and the operation and maintenance spreadsheet through March 2014.

Following review, upon motion duly made by Director Lund, seconded by Director Cori and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending February 28, 2014, the schedule of cash position for the period ending February 28, 2014 and the operation and maintenance spreadsheet through March 2014.

Resolution of Vista Ridge Metropolitan District Regarding Appropriation of Operation & Maintenance Mill Levy to Debt Service of Taxable Subordinate Non-Ad Valorem Tax Revenue Bonds, Series 2006D and 2008D: The Board reviewed and discussed a Resolution regarding the appropriation of operation and maintenance mill levy to debt service to pay the Series 2006D and 2008D Bonds.

Following discussion, upon motion duly made by Director Lund, seconded by Director Fishman and, upon vote, unanimously carried, the Board ratified the adoption of the Resolution of Vista Ridge Metropolitan District Regarding Appropriation of Operation & Maintenance Mill Levy to Debt Service of Taxable Subordinate Non-Ad Valorem Tax Revenue Bonds, Series 2006D and 2008D.

LEGAL MATTERS

Irrigation Water Facilities Common Use Agreement ("the Agreement"): Ms. Johnson informed the Board that Ms. Jacoby drafted and transmitted a letter to the Golf Club including the District's proposed revisions to the Agreement with a request for a meeting to discuss. The Golf Club representatives confirmed receipt of the letter and requested a copy of the Agreement to review and revise. A meeting will be scheduled once that process has been completed.

Resolution Authorizing the District Manager to Approve Budgeted District Maintenance-Related Expenditures: The Board discussed the Resolution Authorizing the District Manager to Approve Budgeted District Maintenance-Related Expenditures.

Following discussion, upon motion duly made by Director Fishman, seconded by Director Lund and, upon vote, unanimously carried, the Board adopted the Resolution Authorizing the District Manager to Approve Budgeted District Maintenance-Related Expenditures.

May 6, 2014 Election: Ms. Johnson reported that because there were not more candidates for director than offices to be filled, the election to be held on May 6, 2014, has been cancelled and Directors Koch and Fishman will be deemed elected. Oaths of office will be prepared and administered shortly after the May 6, 2014 election date.

OPERATION AND MAINTENANCE MATTERS

Project Manager's Report: Mr. Cordova reviewed with the Board the Project Manager Report (the "Report"). A copy of the Report is attached hereto, and incorporated herein, by this reference.

Integrated Water System Update: The Board reviewed the Integrated Water System Update prepared by Mr. Carter. No action was taken.

Non-Potable Water System Energy Assessment: As part of the Integrated Water System Update, Mr. Carter indicated that grant funds were not available from United Power for the Energy Assessment, based on Census data analyzed by United Power. The Board asked Ms. Johnson to determine if Conservation Trust Funds could be utilized for this assessment.

2014 Landscape Enhancements: Mr. Cordova presented his recommendation for landscape enhancements for 2014, including 30 tree replacements on Vista Parkway, Mountain View Boulevard, and Skyline Drive in addition to tree spraying services, mulch, rock, etc. The recommendation is attached hereto, and incorporated herein, by this reference.

Following discussion, upon motion duly made by Director Fishman, seconded by Director Cori and, upon vote, unanimously carried, the Board approved the recommendations for landscape enhancements for 2014 for a not to exceed amount of $35,000.

Privacy Fence Staining Along Mountain View Boulevard: Mr. Cordova presented a proposal from Olson Painting for privacy fence staining along Mountain View Boulevard in an amount not to exceed $9,815.

Following discussion, upon motion duly made by Director Fishman, seconded by Director Lund and, upon vote, unanimously carried, the Board approved the proposal from Olson Painting for privacy fence staining along Mountain View Boulevard for an amount not to exceed $9,815. Ms. Johnson will draft the service agreement.

HOA Backcharges for District Irrigation Use: Mr. Cordova reported to the Board that he has reviewed the information submitted by the HOA regarding irrigation of District maintained property by HOA irrigation controllers. He requested additional information from Mr. Brickman, the HOA landscape contractor who provided Mr. Cordova with the dates and times of watering the District maintained areas. Mr. Cordova has calculated the charges to be $271.35.

The Board approved this expenditure with the approval of the March 2014 payables.

WATER MATTERS

Renewal of Water Lease Agreements: Ms. Johnson presented renewal water lease agreements with Gary Fonay, Rhonda Swain and Lucille Mullen.

Following discussion, upon motion duly made by Director Lund, seconded by Director Cori and, upon vote, unanimously carried, the Board approved the renewal water lease agreements with Gary Fonay, Rhonda Swain and Lucille Mullen.

Status of Renewal of Lease Agreements: Ms. Johnson reported that renewal lease agreements have been drafted and transmitted to Roy A. Jobes, Norma J. Webb and the Town of Erie. Executed agreements were not received by the date of the meeting. Staff will follow-up with the lessors.

OTHER MATTERS

Communication with the HOA: Mr. Thede, HOA Manager, asked the Board to consider landscape enhancements in the round-a-bouts. Mr. Cordova responded that he will include landscape enhancements in the round-abouts as the budget allows and/or in 2015.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL MARCH 20, 2014 MINUTES OF THE VISTA RIDGE METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

_____
James R. Spehalski

_____
Christopher H. Koch

_____
Michael Lund

_____
Richard Cori

_____
Daniel Fishman

RESOLUTION NO. 2014-03-01
RESOLUTION OF THE BOARD OF DIRECTORS
OF VISTA RIDGE METROPOLITAN DISTRICT
REGARDING POSTING FOR MEETINGS

WHEREAS, Special Districts are required by Subsection 24-6-402(2)(c), C.R.S., to designate annually at the District Board's first regular meeting of each calendar year, the place at which notice will be posted at least 24 hours prior to each meeting.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF VISTA RIDGE METROPOLITAN DISTRICT AS FOLLOWS:

1. Notices of meetings of the District Board required pursuant to Section 24-6-401, et seq., C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

   Vista Ridge Community Center
   2750 Vista Parkway
   Erie, Colorado

2. Notices of regular or special meetings required to be posted at three public places within the District and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting shall continue to be made pursuant to Section 32-01-903(2), C.R.S.

ADOPTED this 20th day of March, 2014.

VISTA RIDGE METROPOLITAN DISTRICT

Secretary

RESOLUTION NO. 2013-11-01

RESOLUTION OF VISTA RIDGE METROPOLITAN DISTRICT REGARDING APPROPRIATION OF OPERATION & MAINTENANCE MILL LEVY TO DEBT SERVICE OF TAXABLE SUBORDINATE NON-AD VALOREM TAX REVENUE BONDS, SERIES 2006D AND 2008D

WHEREAS, Vista Ridge Metropolitan District (the "District") has heretofore issued its $35,000,000 Vista Ridge Metropolitan District, Weld County, Colorado Limited Tax General Obligation Improvement and Refunding Bonds, Series 2006 A ("Series A Bonds"), $5,000,000 Vista Ridge Metropolitan District, Weld County, Colorado Limited Tax General Obligation Subordinate Refunding Bonds, Series 2006 B ("Series B Bonds"), $3,060,115 Vista Ridge Metropolitan District, Weld County, Colorado Subordinate Non-Ad Valorem Tax Revenue Bonds, Series 2006 C ("Series 2006C Bonds"), $678,481 Vista Ridge Metropolitan District, Weld County, Colorado Taxable Subordinate Non-Ad Valorem Tax Revenue Bonds, Series 2006 D ("Series 2006D Bonds" and collectively with the Series A Bonds, Series B Bonds and Series 2006C Bonds, the "2006 Bonds"), $1,121,768 Vista Ridge Metropolitan District, Weld County, Colorado Subordinate Non-Ad Valorem Tax Revenue Bonds, Series 2008 C ("Series 2008C Bonds"), and $251,669 Vista Ridge Metropolitan District, Weld County, Colorado Taxable Subordinate Non-Ad Valorem Tax Revenue Bonds, Series 2008 D ("Series 2008D Bonds" and together with the Series 2008C Bonds, the "2008 Bonds," which, together with the 2006 Bonds, are referred to in this Resolution as the "Bonds"); and

WHEREAS, the 2006 Bonds were issued under and subject to that certain Trust Indenture, dated as of August 1, 2006, by and between the District and American National Bank, a national banking association, as the Trustee (the " 2006 Indenture"); and

WHEREAS, the 2008 Bonds were issued under and subject to that certain First Supplemental Trust Indenture, dated as of February 1, 2008, by and between the District and American National Bank, a national banking association, as the Trustee (the "Supplemental Indenture" and together with 2006 Indenture, the "Indenture); and

WHEREAS, debt service on the Bonds is also subject to that certain District Bonds Restructure Agreement, dated as of August 1, 2006, by and among the District, Vista Ridge LLC, a Colorado limited liability company, and Vista Ridge Development Corporation, a Colorado corporation (the "Restructure Agreement"); and

WHEREAS, Section 5 of the Restructure Agreement requires that the District make a determination whether the revenue expected to be available under the Indenture for payment of the Series 2006D Bonds in the immediately succeeding year will be sufficient to pay the principal of and interest on such bonds when due and, if the District determines that such available revenue will not be sufficient, the officer of the District who is at such time charged with the responsibility of formulating budget proposals shall include, in the annual budget proposal submitted to the Board of Directors for consideration, a budget which reflects the amount of the insufficiency and reflects revenue derived from an operations mill levy applied to cover such insufficiency. Only to the extent approved by the Board of Directors in its discretion, the District shall certify an operations mill levy to the County in such fiscal year that takes into account the amount of such insufficiency. The District's covenant to certify an operations mill levy sufficient to pay such shortfall amount and to appropriate ad valorem property tax revenue derived from such levy for the payment of the Series 2006D Bonds shall be from year to year only and shall not constitute a multiple-fiscal year direct or indirect debt or other financial obligation of the District within the meaning of Article X, Section 20 of the Colorado

Constitution. All revenue derived from such operations mill levy as described in Section 5 of the Restructure Agreement shall be Restructure Agreement Revenue (as this term is defined in the Indenture), and shall be deposited by the District in the Non-Property Tax Account of the Bond Fund (as these terms are defined in the Indenture), held under the Indenture and applied solely to the payment of the principal of and interest on the Series 2006D Bonds pursuant to Section 5.6(c)(ix) and 5.6(d)(ix) of the Indenture; and

WHEREAS, the Supplemental Indenture provides that the Series 2008C Bonds and the Series 2008D Bonds shall be issued, respectively, on a parity basis with the Series 2006C Bonds and the Series 2006D Bonds; and

WHEREAS, in computing the amount of District funds available to pay the debt service due on the Series 2006D Bonds and the Series 2008D Bonds, the Board of Directors determined that insufficient revenues would be available to make the debt service payment due on the Series 2006D Bonds and the Series 2008D Bonds; and

WHEREAS, as required by the Supplemental Indenture, Restructure Agreement Revenue shall be applied to the payment of the principal of and interest on both the Series 2006D Bonds and the Series 2008D Bonds; and

WHEREAS, the District has certified an operations mill levy of 15 mills to the County for fiscal year 2013, which the District expects to produce revenue of approximately $753,298 (the "Operations Mill Levy Revenue"); and

WHEREAS, it is the District's desire to use up to $400,000, but not less than $200,000, of the Operations Mill Levy Revenue as "Restructure Agreement Revenue" to make debt service

payments due on the Series 2006D Bonds and the Series 2008D Bonds, but before reaching an amount, the District needs to consider and appropriate amounts for operating costs that vary due to circumstances beyond the District's control and to accumulate a reasonable replacement reserve for the District's facilities; and

WHEREAS, the District will decide on or before November 30, 2014 on the amount of the Operations Mill Levy Revenue that will be used as "Restructure Agreement Revenue" to make debt service payments due on the Series 2006D Bonds and the Series 2008D Bonds (such amount, the "Restructure Agreement Operations Mill Levy Revenue"); and

WHEREAS, it is in the best interests of the District, its constituents and its bondholders to adopt this Resolution to appropriate the Restructure Agreement Operations Mill Levy Revenue in amount up to $400,000, but not less than $200,000, (which revenue shall be "Restructure Agreement Revenue") for the payment of debt service on the Series 2006D Bonds and the Series 2008D Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF VISTA RIDGE METROPOLITAN DISTRICT, AS FOLLOWS:

1. The Board of Directors hereby acknowledges receipt from the officers and staff of the District, at a public meeting of the District's Board of Directors held on November 21, 2013, data with regard to the amount of the Operations Mill Levy Revenue, the District's operating costs and required replacement reserves, and other relevant data and information to allow the Board of Directors to determine the Restructure Agreement Operations Mill Levy Revenue, which will be an amount up to $400,000, but not less than $200,000.

2. The Board of Directors has determined the amount of the Restructure Agreement Operations Mill Levy Revenue to be $ 200,000 and the Board of Directors hereby authorizes and directs the officers of the District to undertake all actions necessary, and to finalize, execute and deliver on behalf of the District, all documents or instruments necessary to appropriate the Restructure Agreement Operations Mill Levy Revenue for the payment of debt service on the Series 2006D Bonds and the Series 2008D Bonds.

APPROVED AND ADOPTED AS OF THIS 21st day of November, 2013.

VISTA RIDGE METROPOLITAN DISTRICT

By: _____

~~James Spehalski, President~~
Michael Lund, Director

Attest:

By: _____
Its: Secretary

RESOLUTION NO. 2014-03-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF VISTA RIDGE METROPOLITAN DISTRICT AUTHORIZING THE DISTRICT MANAGER TO APPROVE BUDGETED DISTRICT MAINTENANCE-RELATED EXPENDITURES

WHEREAS, the District Board of Directors (the "Board") wishes to acknowledge that the District Manager is charged with executing the District's routine financial affairs in accordance with the annual budgets approved by the Board; and

WHEREAS, in order to promote efficient administration of the District's routine maintenance matters, the Board wishes to authorize the District Manager to approve District maintenance-related expenditures in the amount of $2,500.00 or less; provided that such expenditures have been approved by the Board previously as a component of the District's annual budget.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE VISTA RIDGE METROPOLITAN DISTRICT, AS FOLLOWS:

1. Expenditure Authority. The District Manager is hereby authorized to approve budgeted District expenditures related to maintenance matters in the amount of $2,500.00 or less. The District Manager shall seek the approval of the Board for any unbudgeted expenditures.

2. Supplemental to Board Authority. The expenditure authorization provided in Section 1 is supplemental to, and does not supersede or replace, the Board's authority to directly approve any lawful expenditures of the District in accordance with the District's existing operating procedures and Colorado statute.

3. Severability. If any part, section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

APPROVED AND ADOPTED AS OF THIS 20 day of March, 2014.

VISTA RIDGE METROPOLITAN DISTRICT

By: _____
~~James Spehalski, President~~
Michael Lund, Director

Attest:

By: _____
Its: Secretary

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Project Manager Report

Vista Ridge Metropolitan District

1/9/14-3/12/14

General Landscaping

- Winter watering of trees was performed by CoCal once in January and once in February.
- Due to moderate temperatures, CoCal began activation of the irrigation system the first week of March so that watering of drip zones could begin. Pumps have remained off at night as a precaution against line-breaks due to deep freeze.
- Pre-emergent weed control is scheduled to be completed by March 14th.
- Fertilization is scheduled to be completed by the end of March.

Snow Removal

- CoCal responded to six snow events between January 9th, 2014 and March 12, 2014.

2014 Landscape Enhancements

- Recommendations for 2014 landscape enhancements are being prepared and will be distributed at the March 20th Board meeting for consideration.

Fence Staining

- A proposal from Olson Painting has been requested for fence staining of all privacy fence along Mountain View Boulevard to be distributed at the March 20th Board meeting.

Tree Fungus Identified

- BioTree, a tree care company working for Heritage at Vista Ridge HOA, has identified a number of District pine trees adjacent to the Heritage community infested with a fungus that is causing needle blight. Permission has been given to the Heritage HOA to treat these trees at their expense. A proposal has also been requested by the District to treat other affected trees in the community and will be presented with the 2014 landscape enhancement recommendations.

Drainage Issue at Tract 1Q/A

- A drainage issue has been identified at tract 1Q/A adjacent 1889 Lodgepole Drive due to an improperly functioning French drain installed on the District tract, which is directing drainage onto the adjacent residential lot and damaging turf. A proposal for repair of the drain has been obtained and approved.

Other

- 3 e-mails from residents and 4 e-mails from the HOA Community Manager regarding maintenance issues were responded to.

2014 VRMD LANDSCAPE ENHANCEMENTS

TREE REPLACEMENTS ON VISTA PKWY, MTN VIEW BLVD, SKYLINE DR

TOTAL COUNT	30	TOTAL COST	$12,854.00

TREE SPRAYING

APPLICATION	UNIT COST	COUNT	TOTAL COST
IPS BEETLE/ZIMMERMAN MOTH ROOT INJECTION	$20.00	42	$840.00
ANTI-FUNGAL EVERGREEN SPRAY - MAY & JULY	$25.00	125	$3,125.00
ASH BORE CONTROL	$21.00	431	$9,051.00
			$13,016.00

OTHER LANDSCAPE MATERIALS

TYPE	UNIT COST	COUNT	TOTAL COST
MULCH	$62.00	40	$2,480.00
ROCK	$72.00	15	$1,080.00
MISC.	N/A	N/A	$2,000.00

GRAND TOTAL	**$31,430.00**