GARDENS AT NORTH CAREFREE METROPOLITAN DISTRICT
Special Board Meeting
Tuesday, August 13, 2024 at 9:00 a.m.
in person:
1373 Struthers Rd., Colorado Springs, CO 80921
virtually:
https://video.cloudoffice.avaya.com/join/217916951
United States: (213) 463-4500
Meeting ID: 217916951

Board of Director	Title	Term
Ronald Covington	President	May 2025
Grace Covington	Secretary	May 2025
Laureen Deveau	Treasurer	May 2025
Heath Herber	Assistant Secretary	May 2027
VACANT	Assistant Secretary	May 2027

AGENDA

1. Call to Order/Declaration of Quorum

2. Conflict of Interest Disclosures

3. Approval of Agenda

4. Public Comment - Members of the public may express their views to the Board on matters that affect the Districts. Comments will be limited to three (3) minutes.

5. Consent Agenda - The items listed below are a group of items to be acted on with a single motion and vote by the Boards. Any item may be removed from the Consent Agenda upon request of any Board member.
   a. Approval of Meeting Minutes from July 1, 2024 **(enclosure)**
   b. Payment of Claims from June 30, 2024 through August 13, 2024 **(enclosure)**
   c. Acceptance of Unaudited Financial Statements as of July 31, 2024 and the schedule of cash position updated as of July 31, 2024 **(enclosure)**

6. General Business
   a. Discuss Bond Reissuance **(enclosure)**
   b. Discuss Status of Damage From Cable/ Fiberoptic Installation
   c. Discuss Status of Acceptance and release of Assurances by the County

7. Adjournment – Next Board Meeting will be held on November 13, 2024 at 9:00 a.m., immediately following the Annual Townhall Meeting.

WSDM

DISTRICT MANAGERS

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
GARDENS AT NORTH CAREFREE METROPOLITAN DISTRICT
HELD JULY 1, 2024 AT 2:00 PM

Pursuant to posted notice, the regular meeting of the Board of Directors of the Gardens at North Carefree Metropolitan District was held on Monday, July 1, 2024 at 2:00 p.m., virtually via: https://video.cloudoffice.avaya.com/join/217916951.

Attendance

In attendance were Directors:
Ronald Covington, President
Grace Covington, Secretary
Laureen Deveau, Treasurer
Heath Herber, Assistant Secretary

Also in attendance were:
Heather Smith, WSDM District Managers
Peter Susemihl, Susemihl McDemott & Downie. P.C.

1. Call to Order/Declaration of Quorum: Ms. Smith called the meeting to order at 2:03 p.m. and confirmed a quorum was present.

2. Conflict of Interest Disclosures: All disclosures were properly filed with the Department of Local Affairs, State of Colorado by Mr. Susemihl.

3. Approval of Agenda: Director Covington moved to approve the Agenda with the addition of Bond Status Discussion to Item 6(a); seconded by President Covington. Motion passed unanimously.

4. Public Comment: There was no public comment.

5. Consent Agenda: After review, Director Covington moved to approve the Consent Agenda as presented; seconded by Director Deveau. Motion passed unanimously.
   a. Approval of Meeting Minutes from February 8, 2024
   b. Payment of Claims from February 8, 2024 through June 30, 2024
   c. Acceptance of Unaudited Financial Statements as of May 31, 2024

6. General Business:
   a. Discuss Developer Reimbursement Agreement and Bond Status: The Board discussed the current shortfall in funding with existing funds pledged to debt and outstanding invoices needing to be paid. President Covington explained that the Developer Advances were never intended to be fully reimbursed and that funding should be diverted from the Debt Fund to pay the Operating Expenses. Mr. Susemihl stated that the Bond document could be adjusted to allow Operating Costs to be prioritized over Debt payment. The Board will meet in August to further discuss the projected revenue and costs before any action is taken. President Covington moved to authorize Mr. Susemihl to adjust the bond in the interim,

allowing outstanding operating expenses to be paid, and to continue this discussion at a Special Meeting to be held on August 13, 2024 at 9:00 a.m. at the Covington Homes office; seconded by Director Deveau. The motion was denied.

b. Discuss Status of Damage From Cable/ Fiberoptic Installation: Heather provided a brief update regarding the progress made on repairs. Timberline has alleged that some of the dead trees were the result of irrigation breaks from the fiber optics installation but has not yet provided verification or documentation of that damage.
c. Discuss Status of Acceptance and Release of Assurances by the County: Director Covington provided an update on the recently completed final clean-up of the ponds.

7. Adjournment – The Board unanimously adjourned the meeting at 2:42 p.m.

The Next Board Meeting is scheduled for August 13, 2024 at 9:00 a.m.

Respectfully Submitted,

_____
Secretary

Approved,

_____
President

WSDM

DISTRICT MANAGERS

Gardens At North Carefree Metropolitan District
PAYMENT REQUEST
7/19/2024
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
Cherokee Metropolitan District	711/24	7/11/2024	$ 1,383.59	
Timberline Landscaping	54371	7/1/2024	$ 1,465.81	
Timberline Landscaping	54710	7/10/2024	$ 95.97	
Timberline Landscaping	54885	7/16/2024	$ 78.96	
Timberline Landscaping	54910	7/17/2024	$ 226.41	
Timberline Landscaping	54911	7/17/2024	$ 94.21	
WSDM District Managers	8070	6/30/2024	$ 1,012.00	
TOTAL			**$ 4,356.95**	

Stockmans Bank as on 7/19/2024	$	65,736.44
Current Draw	$	(4,356.95)
	$	**61,379.49**

Gardens At North Carefree Metropolitan District
PAYMENT REQUEST
8/13/2024
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
Timberline Landscaping	55593	8/1/2024	$ 1,465.82	
WSDM District Managers	339	7/31/2024	$ 1,000.00	
TOTAL			**$ 2,465.82**	

Stockmans Bank as on 7/19/2024	$	61,379.49
Current Draw	$	(2,465.82)
	$	**58,913.67**

WSDM

DISTRICT MANAGERS

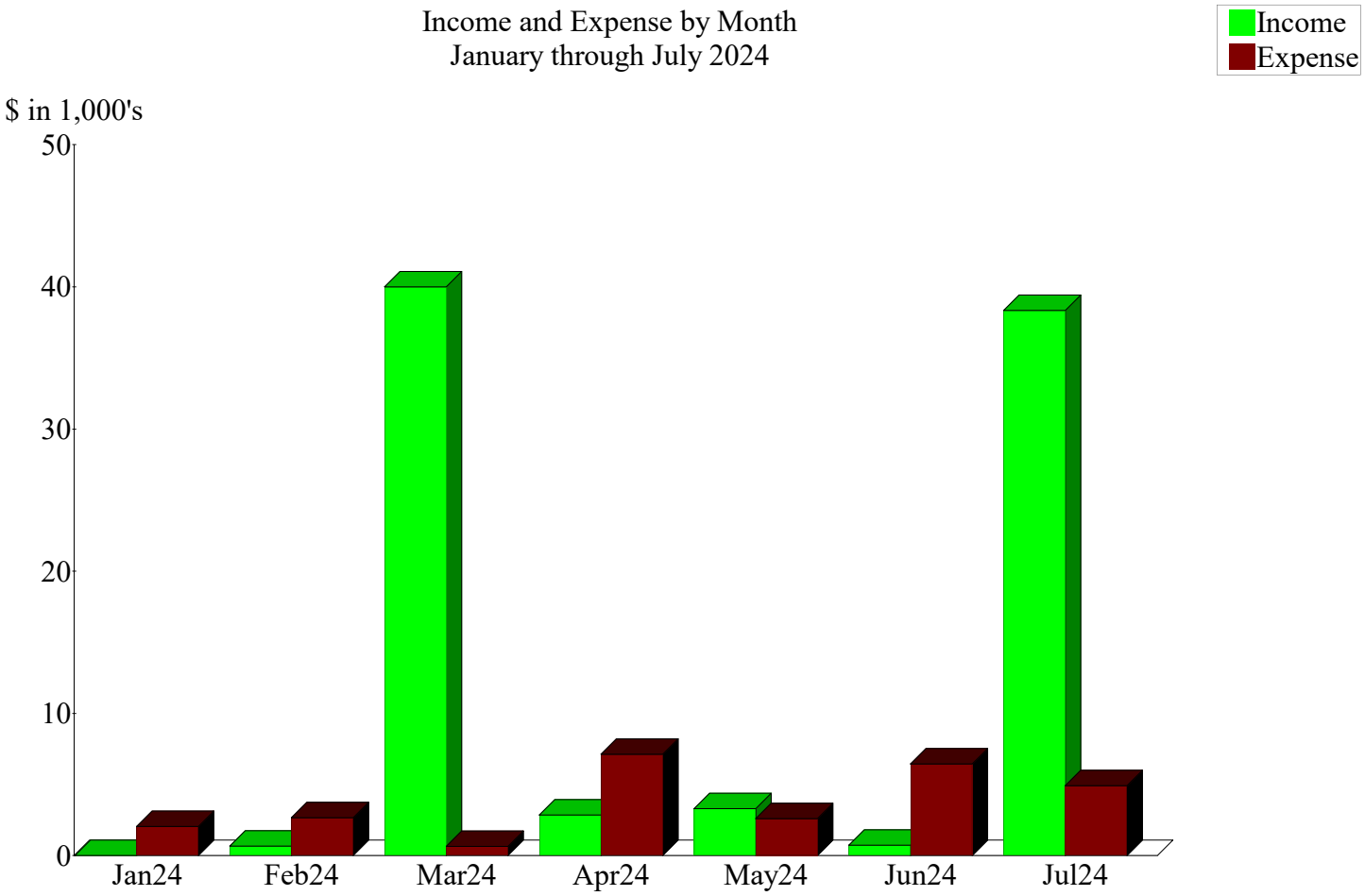
Gardens At North Carefree Metropolitan District
Balance Sheet
As of July 31, 2024

	Jul 31, 24
ASSETS	
Current Assets	
Checking/Savings	
Stockmans Bank - Checking	65,736.44
Total Checking/Savings	65,736.44
Total Current Assets	65,736.44
TOTAL ASSETS	**65,736.44**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	5,578.53
Total Accounts Payable	5,578.53
Total Current Liabilities	5,578.53
Long Term Liabilities	
Developer Bond Series 2023	2,960,556.00
Total Long Term Liabilities	2,960,556.00
Total Liabilities	2,966,134.53
Equity	
Fund Balance - Debt	-2,960,556.00
Retained Earnings	714.04
Net Income	59,443.87
Total Equity	-2,900,398.09
TOTAL LIABILITIES & EQUITY	**65,736.44**

Gardens At North Carefree Metropolitan District
Profit & Loss Budget vs. Actual
January through July 2024

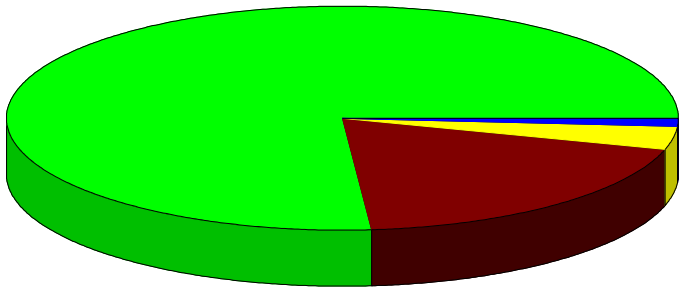
	TOTAL				
	Jul 24	Jan - Jul 24	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
CY Property Tax - O&M	7,546.07	16,443.16	16,313.00	130.16	100.8%
Specific Ownership Tax - O&M	124.77	740.97	1,142.00	-401.03	64.88%
CY Property Tax - Debt	30,184.28	65,772.65	65,254.00	518.65	100.8%
Specifice Ownership Tax - Debt	499.09	2,963.97	4,568.00	-1,604.03	64.89%
Total Income	38,354.21	85,920.75	87,277.00	-1,356.25	98.45%
Expense					
Contractual Obligations	0.00	0.00	40,000.00	-40,000.00	0.0%
Operations and Maintenance					
Detention Pond Maintenance	0.00	0.00	4,000.00	-4,000.00	0.0%
Utilities	1,383.59	1,990.20	10,000.00	-8,009.80	19.9%
Snow Removal	0.00	0.00	5,000.00	-5,000.00	0.0%
Landscaping					
Irrigation	495.55	4,064.12			
Winter Watering	0.00	170.00			
Landscaping - Other	1,465.81	6,113.58	11,000.00	-4,886.42	55.58%
Total Landscaping	1,961.36	10,347.70	11,000.00	-652.30	94.07%
Repairs & Maintenance	0.00	0.00	4,000.00	-4,000.00	0.0%
Total Operations and Maintenance	3,344.95	12,337.90	34,000.00	-21,662.10	36.29%
General and Administrative					
Bank Fees	0.00	5.00			
Consulting Fee	0.00	5,000.00			
District Management	1,000.00	7,000.00	12,000.00	-5,000.00	58.33%
Insurance	0.00	-1,119.00	1,000.00	-2,119.00	-111.9%
Office Expense	0.00	12.00			
Postage	0.00	0.55	200.00	-199.45	0.28%
SDA Dues	0.00	0.00	700.00	-700.00	0.0%
Treasurer Collection Fee - O&M	113.19	246.65	245.00	1.65	100.67%
Treasurer Collection Fee - Debt	452.76	986.58	979.00	7.58	100.77%
Total General and Administrative	1,565.95	12,131.78	15,124.00	-2,992.22	80.22%
Electric	0.00	38.45			
Legal	0.00	1,968.75	10,000.00	-8,031.25	19.69%
Total Expense	4,910.90	26,476.88	99,124.00	-72,647.12	26.71%
Net Ordinary Income	33,443.31	59,443.87	-11,847.00	71,290.87	-501.76%
Net Income	**33,443.31**	**59,443.87**	**-11,847.00**	**71,290.87**	**-501.76%**

Income and Expense by Month
January through July 2024



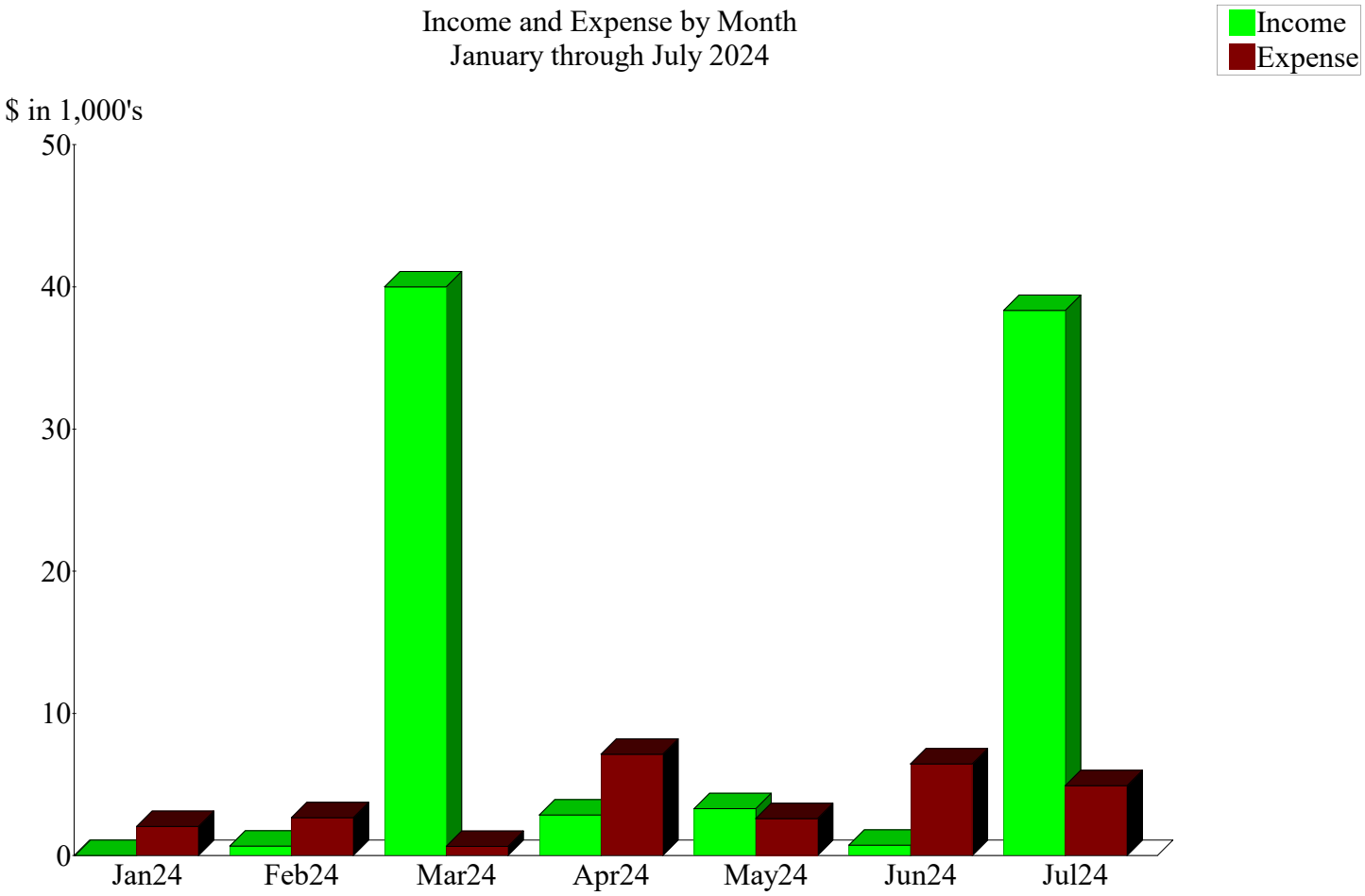
Income Summary
January through July 2024

CY Property Tax - Debt	76.55%
CY Property Tax - O&M	19.14
Specifice Ownership Tax - Debt	3.45
Specific Ownership Tax - O&M	0.86
Total	$85,920.75



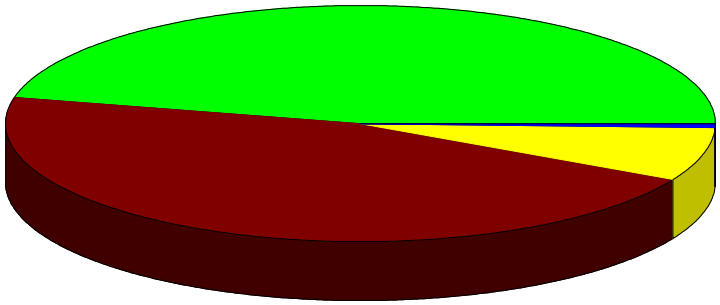
By Account

Income and Expense by Month
January through July 2024



Expense Summary
January through July 2024

Operations and Maintenance	46.60%
General and Administrative	45.82
Legal	7.44
Electric	0.15
Total	$26,476.88



By Account

WSDM

DISTRICT MANAGERS

UNITED STATES OF AMERICA
STATE OF COLORADO

$2,960,556
GARDENS AT NORTH CAREFREE METROPOLITAN DISTRICT
(IN THE COUNTY OF EL PASO, STATE OF COLORADO)
LIMITED TAX GENERAL OBLIGATION DEVELOPER BOND, SERIES 2023

Interest Rate	Maturity Date	Original Issue Date
8.50%	December 1, 2052	November 1, 2023

REGISTERED OWNER: Covington Properties LLC

PRINCIPAL AMOUNT: $2,960,556 U.S. Dollars

Gardens at North Carefree Metropolitan District, a metropolitan district duly organized and operating under the constitution and laws of the State of Colorado, for value received, hereby acknowledges itself indebted and promises to pay, solely from and to the extent of the debt mill levy of 40.000 mills, to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. In like manner the District promises to pay interest on such principal amount (computed on the basis of a 360-day year of twelve 30-day months) from the Interest Payment Date next preceding the date of authentication of this Bond at the interest rate per annum specified above, payable annually on December 1 each year, commencing on December 1, 2023, until the principal amount is paid at maturity or upon prior redemption provided that, all payments will cease after December 31, 2052 and the bond will be considered defeased.

The Bond is issued pursuant to that certain Resolution dated as of November 1, 2023.

The principal of this Bond is payable in lawful money of the United States of America to the registered owner hereof upon maturity or prior redemption. Payment of each installment of interest shall be made to the registered owner hereof whose name shall appear on the registration books of the District maintained by or on behalf of the District, and shall be paid by check or draft mailed on or before the Payment Date to such registered owner at his address as it appears on such registration books. The District may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the District as provided in the Indenture. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (the "**Special Record Date**") established for the payment of any defaulted interest. Notice of the Special Record Date and the date fixed for the payment of defaulted interest shall be given by first-class mail to the registered owner hereof as shown on the registration books on a date selected by the Trustee.

This Bond with par value of $2,960,556, issued by the Board of Directors of Gardens at North Carefree Metropolitan District in the County of El Paso, State of Colorado, for the purpose of paying the costs of providing certain public improvements within and without the District, by virtue of and in full conformity with the Constitution of the State of Colorado; Title 32, Article 1, Part 11, C.R.S.; Title 11, Article 57, Part 2, C.R.S.; and all other laws of the State of Colorado thereunto enabling, and pursuant to the duly adopted Bond Resolution. Pursuant to § 11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bond after its delivery for value.

It is hereby recited, certified, and warranted that all of the requirements of law have been fully complied with by the proper officers in issuing this Bond. It is hereby further recited, certified, and warranted that the total indebtedness of the District, including that of this Bond, does not exceed any limit prescribed by the constitution or laws of the State of Colorado.

With the consent of the Registered Owner, the Bond, together with the interest thereon and any premium due in connection therewith, shall be payable from the District's available mill levies after the payment of all costs of operation and maintenance. The Bond constitutes an irrevocable first lien upon these revenues.

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District. This Bond does not constitute a debt, financial obligation or liability of the County of El Paso, the State of Colorado or any political subdivision of the State (other than the District) and neither the County of El Paso or the State of Colorado, nor any political subdivision of the State (other than the District) is liable for payment of the principal of, premium if any, and interest on the Bond.

The Bond may be redeemed at any time.

Notice of prior redemption shall be given by mailing a copy of the redemption notice, not less than 20 days prior to the date fixed for redemption, to the registered owner of this Bond at the address shown on the registration books maintained by the District. The Bond called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

The District shall not be required to issue or transfer any Bond: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first business day following the ensuing Interest Payment Date or (b) during the period beginning at the opening of business on a date 45 days prior to the date of any redemption of Bond and ending at the opening of business on the first business day following the day on which the applicable notice of redemption is mailed.

The District may deem and treat the registered owner of this Bond as the absolute owner hereof for all purposes (whether or not this Bond shall be overdue), and any notice to the contrary shall not be binding upon the District.

This Bond may be transferred upon the registration books upon delivery to the District of this Bond, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the District, duly executed by the owner of this Bond or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of the Bond, along with the social security number or federal employer identification number of such transferee. In the event of the transfer of this Bond, the District shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond of authorized denominations of the same series, maturity, and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time. The District shall charge the owner of this Bond for every such transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

If the date for making any payment or performing any action shall be a legal holiday or a day on which the principal office of the District is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the District is authorized or required by law to remain closed.

IN TESTIMONY WHEREOF, the Board of Directors of Gardens at North Carefree Metropolitan District has caused this Bond to be signed by the signature of the President of the District, sealed with a facsimile of the seal of the District, and attested by the signature of the Secretary thereof, all as of November 1, 2023.

[SEAL]

GARDENS AT NORTH CAREFREE METROPOLITAN DISTRICT

By _____
President

Attested:

By _____
Secretary