

**RESERVE METROPOLITAN DISTRICT 2**  
**BOARD OF DIRECTORS MEETING**  
**AUGUST 16 2016 12:00 PM**  
**318 ELK AVENUE SUITE 24**  
**CRESTED BUTTE, COLORADO 81224**

**In Attendance For The Board**

John Flanigan (by telephone)

Grant Bennett (by telephone)

Peter Duke (by telephone)

Julie Barons

**Also**

Bob Orlinski

Mary Miles, (Mullans, Piersel & Reed, PC) Assistant to Tom Mullans (by telephone)

Rob Harper, Toad Property Management, Inc.

Steve Thompson & John Ericson, Thompson Financial & Accounting Services LLC (by telephone)

Rob called the meeting to order at 12:03 confirming a quorum. Notice of the Meeting was posted in all three places on 8/12/16. John Flanigan makes a motion to approve the agenda, Peter Duke seconds, all in favor, agenda approved. After the correction of the spelling of 'Flanigan' to the minutes dated 7/12/16 & 7/19/16, John makes a motion to approve, Peter seconds, all in favor, motion approved.

**Financials/Preliminary 2017 Budget:** Steve Thompson reports that \$590.00 is owed to Citiwide Bank, per a banking error after Bailey Peterson was paid the balance of that account. Shouldn't Bailey Peterson pay back Citiwide asks John, reporting that Bailey Peterson was actually over-paid by \$753.21. Steve Thompson will research the matter. Steve explains that some legal & financial fees will be reimbursed after the bond issues. Budget discussions, what is negative on paper today will balance out at the end of the year. Steve reports that he and Tom Mullans are questioning the Specific Ownership tax that should go back to Mt. Crested Butte; the actual number owed has not been calculated. The town has not asked for it, is not in the bond documents, not paid since 2012 but \$2400 has been budgeted yearly. Discussion about approving/not approving the Financial Statements. Discussion about budgeting dependable numbers.

**Bond Issue:** John states the documents that need to be completed have been, Mary confirms this, says copies are being held by Mullans, Piersel & Reed, PC. Discussion about reviewing insurance compliance, disclosure requirements at the next meeting. Discussion about updating the property owners on the conclusion of the litigation, applications for abatement due at the end of the year, any written communications to be checked by legal counsel.

**Road Maintenance:** Discussion about the agreement from Cimmaron to maintain the roads, landscaping, ski-ways. John asks for input, will get input from Tom Mullans. Julie questions the maintaining of the rocks on the bridges, is this landscaping or ski-way maintenance? Grant suggests a map to accompany the proposal to know exactly what the District is responsible for, and for the proposal by SGM to be broken out by year for a 10-year period. Peter questions any budget number since there is no reliable historical data. Mary (per Tom) points out a conflict with the Cimmaron contract, RMD1 and RMD2. John will further discuss with Tom. The SealCo proposal could be handled in a follow-up phone call by the Board since time is of the essence if work were to start this fall.

**Resolution 2016-11:** John makes a motion to pass the resolution authorizing John Flanigan and Edward Cope to transact business on behalf of RMD2, Grant seconds, all in favor (Peter Duke had to drop off the call) motion passes.

Meeting adjourned at 1:08 pm.

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Rob Harper, Toad Property Management