

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE ERIE HIGHLANDS METROPOLITAN DISTRICT NOS. 1 AND 2 DISTRICT NO. 2 MINUTES HELD MARCH 5, 2025

A consolidated special meeting of the Boards of Directors of the Erie Highlands Metropolitan District Nos. 1 and 2 was convened on Wednesday, March 5, 2025 at 6:00 p.m. This District Board Meeting was held as a hybrid meeting at the Erie Highlands Clubhouse, 185 Highlands Circle, Erie, Colorado; and via Zoom video/telephone conference. The meeting was open to the public.

Directors for District No. 2 in Attendance Were:

Mitchell Gonzales, President
Andrew J. Matyus, Treasurer
Keith Kauffman, Secretary
Elizabeth Thoma, Assistant Secretary

Also In Attendance Were:

Peggy Ripko and Kaitlyn Toman; Special District Management Services, Inc.

Jeffrey Erb, Esq.; Erb Law, LLC (General Counsel for District No. 1)

Joan Fritsche, Esq.; Fritsche Law LLC (General Counsel for District No. 2)

Members of the public.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The meeting was called to order. The Board noted a quorum was present and discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No disclosures were made, and it was noted that all Directors are residents of the District.

CALL TO ORDER

Agenda: The Board reviewed the proposed Agenda for the District's special meeting.

Following discussion, upon motion, duly made by Director Gonzales, seconded by Director Matyus and, upon vote, unanimously carried, the Board approved the Agenda, as amended.

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Update on May 6, 2025 Election: The Board discussed the upcoming Election on May 6, 2025. Attorney Fritsche indicated that the election was cancelled and a memo was provided in the Board packet.

PUBLIC COMMENT Members of the public asked questions regarding the following: 1) Settlement Agreement with Oakwood Homes; 2) status of infrastructure within the District; 3) status of the Townhome parcel; and, 4) District communications/governance and transparency regarding landscaping decisions.

ADMINISTRATIVE MATTERS **Minutes:** The Board reviewed the minutes of the December 3, 2024 special and statutory annual meetings, and December 23, 2024 special meeting.

Following discussion, upon motion, duly made by Director Gonzales, seconded by Director Matyus and, upon vote, unanimously carried, the Board approved the minutes of the December 3, 2024 special and annual meetings and the December 23, 2024 special meeting.

Terms of Settlement Agreement: Attorney Erb and Attorney Frische reviewed with the Board the terms of the Settlement Agreement with District Nos. 3-5 and Oakwood Homes and the process the Districts went through to separate from Districts 3-5 and the reasoning behind the decision.

Introduction to Special District Management Services, Inc. (“SDMS”): Ms. Ripko discussed with the Board the overview of SDMS services.

Website and Community E-Blast Communication Update: Ms. Ripko updated the Board on the website and community e-blast communication.

FINANCIAL MATTERS

Payment of Claims: The Board reviewed the payment of claims as follows:

Fund	Period Ending Nov. 30 2024	Period Ending Dec. 31 2024	Period Ending Jan. 31, 2025
General	\$ 12,066.40	\$ 22,157.11	\$ 19,965.77
Debt Service	\$ 8,000.00	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 20,066.40	\$ 22,157.11	\$ 19,965.77

Following discussion, upon motion, duly made by Director Gonzales, seconded by Director Matyus and, upon vote, unanimously carried, the Board approved the payment of claims, as presented.

Unaudited Financial Statements and Cash Position: The Board reviewed the unaudited financial statements and cash position for the period ending December 31, 2024.

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Following discussion, upon motion, duly made by Director Gonzales, seconded by Director Matyus and, upon vote, unanimously carried, the Board approved the unaudited financial statements and cash position for the period ending December 31, 2024.

OPERATION MATTERS

Cost Sharing Agreement for Landscaping, Pool and Clubhouse Operations and Maintenance by and between District No. 1 and No. 2: The Board reviewed the Cost Sharing Agreement – Landscaping, Pool and Clubhouse Operations and Maintenance by and between District No. 1 and No. 2.

Following discussion, upon motion, duly made by Director Gonzales, seconded by Director Thoma and, upon vote, unanimously carried, the Board approved the Cost Sharing Agreement for Landscaping, Pool and Clubhouse Operations and Maintenance by and between District No. 1 and No. 2.

LEGAL MATTERS Termination of Covenant Enforcement Agreement and Covenant Enforcement

Assignment: The Board reviewed the Termination of Covenant Enforcement Agreement and Covenant Enforcement Assignment.

Following discussion, upon motion, duly made by Director Gonzales, seconded by Director Matyus and, upon vote, unanimously carried, the Board approved and ratified the Termination of Covenant Enforcement Agreement and Covenant Enforcement Assignment.

Resolution re Acceptance of Transfer of Tracts from District Nos. 1-5 to District 2 and District 4 to Districts 1 and 2: The Board reviewed Resolution re Acceptance of Transfer of Tracts from District Nos. 1-5 to District 2 (Landscape Tracts) and District 4 to Districts 1 and 2 (Pool and Clubhouse).

Following discussion, upon motion, duly made by Director Kaufmann, seconded by Director Matyus and, upon vote, unanimously carried, the Board adopted Resolution re Acceptance of Transfer of Tracts from District Nos. 1-5 to District 2 (Landscape Tracts, all but Filing 11, Tract G) and District 4 to Districts 1 and 2 (Pool and Clubhouse).

Public Funds Resolution: The Board reviewed the Public Funds Resolution.

Following discussion, upon motion, duly made by Director Gonzales, seconded by Director Matyus and, upon vote, unanimously carried, the Board ratified the Public Funds Resolution adopted on December 23, 2024.

Covenant Enforcement Scope of Services: The Board discussed the Covenant Enforcement Scope of Services with SDMS. It was noted that it is included in the Agreement already approved by the Board. Covenant enforcement services were

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taken over by District No. 2 as of February 14, 2025 under the Settlement Agreement.

Carriage House Maintenance Scope of Services: The Board discussed the Carriage House Maintenance Scope of Services with SDMS. It was noted that it is included in the Agreement already approved by the Board.

Adequacy of Petitions for Inclusion/Exclusions: The Board discussed the adequacy of Petitions for Inclusion/Exclusions. The Board indicated that the Petitions are adequate, pending receipt of deposit and tentatively set the statutory public hearings for the next Board meeting.

Status of Remaining Inclusions/Exclusions: The Board discussed the status of the remaining District Inclusions/Exclusions proceedings, noting the properties require new legal descriptions and are owned by the Town of Erie.

Service and Facility Fee: Attorney Erb and Attorney Frische updated the Board regarding the proposed Service and Maintenance Fee and seeking approval by the Town of Erie.

OTHER BUSINESS

2025 Regular Meetings: The Board discussed setting the 2025 Regular Meeting Schedule.

Following discussion, upon motion, duly made by Director Gonzales, seconded by Director Matyus and, upon vote, unanimously carried, the Board approved holding consolidated 2025 regular meetings on the 1st Wednesday of each month.

EXECUTIVE SESSION:

Following a motion by Director Gonzales, seconded by Director Matyus, the Board voted unanimously to go into Executive Session pursuant to Sections 24-6-402(4)(b) and (e), C.R.S. for the purpose of receiving legal advice on specific legal questions and determining positions relative to matters subject to negotiations; developing strategies for negotiations; and instructing negotiators regarding Trumark Homes and the maintenance and service fees for the Townhome Parcel. At approximately 9:00 p.m. the Board went into Executive Session.

RETURN TO OPEN PUBLIC MEETING:

Upon motion duly made by Director Gonzales, seconded by Director Kauffman at approximately 9:27 p.m., the Board came out of Executive Session.

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

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Respectfully submitted,

By *Keith kauffman*
Secretary for the Meeting