

RECORD OF PROCEEDINGS

MINUTES OF A CONSOLIDATED SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE ERIE HIGHLANDS METROPOLITAN DISTRICT NOS. 1 AND 2 DISTRICT NO. 2 MINUTES HELD DECEMBER 3, 2024

A consolidated special meeting of the Boards of Directors of the Erie Highlands Metropolitan District Nos. 1 and 2 was convened on Monday, December 3, 2024 at 1:00 p.m. via Zoom video/telephone conference. The meeting was open to the public via Zoom.

Directors for District No. 1 in Attendance Were:

Joshua Kiel Malm, President
Jason Edward Manley, Treasurer
Samuel A. Mayer, Secretary
Kristine Fillius, Assistant Secretary
Tonya L. Baca, Assistant Secretary

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.
Jeff Erb, Esq.; Erb Law, LLC (General Counsel for District No. 1)
Joan Fritsche, Fritsche Law, LLC (General Counsel for District No. 2).
Ashley Gray, Taylor Dollarhide and Patti Hafley, Homeowners

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The meeting was called to order at 1:31 p.m. 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.

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ADMINISTRATIVE MATTERS

Agenda: The Board reviewed the proposed Agenda for the Districts' consolidated 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.

Minutes: The Board reviewed the minutes of the July 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 July 23, 2024 special meeting, as amended.

Annual Administrative Resolution: The Board reviewed Resolution No. 2024-12-01, Annual Administrative Resolution (2025).

Following discussion, upon motion, duly made by Director Gonzales, seconded by Director Matyus and, upon vote, unanimously carried, the Board adopted Resolution No. 2024-12-01, Annual Administrative Resolution (2025).

Update on Consolidated Website: Ms. Ripko updated the Board on the anticipated start-up date for the Districts' consolidated website.

Acknowledge Resignation of Director Wyszynski: The Board acknowledged the resignation of Director Wyszynski from the Board of Directors, creating a Board vacancy.

PUBLIC COMMENT There was no public comment.

FINANCIAL MATTERS

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

Fund	Period Ending Oct 31, 2023
General	\$ 110,392.05
Debt Service	\$ -0-
Capital Projects	\$ -0-
Total Claims	\$ 110,392.05

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

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Unaudited Financial Statements and Cash Position: The Board reviewed the unaudited financial statements and cash position for the period ending September 30, 2024.

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 September 30, 2024.

2024 Budget Amendment Hearing:

Following discussion, it was determined that an amendment to the 2024 Budget was not necessary at this time.

2025 Budget Hearing: The President opened the public hearing to consider the District's proposed 2025 Budget.

It was noted that publication of Notice stating that the Board would consider adoption of the 2025 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to or at this public hearing. No public comments were received, and the President closed the public hearing.

Ms. Toman reviewed the estimated year-end 2024 revenues and expenditures and the proposed 2025 estimated revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2024-12-02 to Adopt the 2025 Budget and Appropriate Sums of Money and Resolution No. 2024-12-03 to Set Mill Levies (for the General Fund at 25.712 mill and the Debt Service Fund at 64.282 mills, for a total of 89.994 mills). Upon motion, duly made by Director Matyus, seconded by Director Gonzales upon vote unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County. Ms. Ripko was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Weld County not later than December 15, 2024. Ms. Ripko was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 31, 2025.

LEGAL MATTERS **Resolution Calling May 6, 2025 Election:** The Board reviewed the Resolution Calling May 6, 2025 Election for Directors, appointing Designated Election Official ("DEO") and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

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Following discussion, upon motion, duly made by Director Gonzales, seconded by Director Matyus, and upon vote unanimously carried, the Board adopted the Resolution Calling May 6, 2025 Election for Directors, appointing Mandi Kirk as the Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

EXECUTIVE SESSION: Following a discussion, a motion was made by Director Gonzales, seconded by Director Matyus, the Board voted unanimously to go into a Joint 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 the proposed Settlement Agreement between Erie Highlands Metropolitan District Nos. 1-5 and Clayton Properties Group, Inc., a Tennessee corporation, d/b/a Oakwood Homes (but excluding any matters for negotiation, if any, between District No. 1 and District No. 2). At approximately 3:01 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 3:54 p.m., the Board came out of Executive Session.

Settlement Agreement and First Amendment: The Board reviewed the Settlement Agreement and First Amendment.

Following discussion, upon motion, duly made by Director Gonzales, seconded by Director Kauffman, and upon vote unanimously carried, the Board approved the Settlement Agreement and First Amendment between Erie Highlands Metropolitan District Nos. 1-5 and Clayton Properties Group, Inc., d/b/a Oakwood Homes, subject to any final non-material changes recommended by legal counsel in consultation with the Board President.

Infrastructure Acquisition Agreement between District and Clayton Properties Group, Inc., a Tennessee corporation, d/b/a Oakwood Homes: The Board reviewed the Infrastructure Acquisition Agreement between District and Clayton Properties Group, Inc., a Tennessee corporation, d/b/a Oakwood Homes. Upon motion, duly made by Director Gonzales, seconded by Director Kauffman and unanimously carried, the Board approved the Infrastructure Acquisition Agreement.

First Amendment to Carriage House Operations and Maintenance Fee Resolution: The Board reviewed the First Amendment to Carriage House Operations and Maintenance Fee Resolution. Upon motion, duly made by Director Gonzales, seconded by Director Kauffman and unanimously carried, the Board

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approved the First Amendment to the Carriage House Operations and Maintenance Fee Resolution.

Resolution Regarding Exclusion of Uncompensated Members of the Board of Directors from Workers' Compensation Insurance Coverage: The Board reviewed Resolution No. 2024-12-04, Resolution Regarding Exclusion of Uncompensated Members of the Board of Directors from Workers' Compensation Insurance Coverage.

Following discussion, upon motion, duly made by Director Gonzales, seconded by Director Kauffman, and upon vote unanimously carried, the Board adopted Resolution No. 2024-12-04, Resolution Regarding Exclusion of Uncompensated Members of the Board of Directors from Workers' Compensation Insurance Coverage.

Removal of Signs on Property: The Board tabled discussion at this time.

Update re: Status of Intergovernmental Agreement between the Districts regarding Sharing of Costs related to Landscaping, Pool and Clubhouse: The Board tabled discussion at this time.

OPERATION MATTERS

Proposals for Engineering Services: The Board reviewed the Proposals for Engineering Services.

Following discussion, upon motion, duly made by Director Gonzales, seconded by Director Kauffman, and upon vote, unanimously carried, the Board accepted the proposal for engineering services from Tanna Boisvert, with IDES.

OTHER BUSINESS

None.

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

Respectfully submitted,

By Keith Kauffman
Secretary for the Meeting