

RECORD OF PROCEEDINGS

MINUTES OF THE COMBINED SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF VILLAGE EAST METROPOLITAN DISTRICT NOS. 1, 2, 4 & 5

TOWN OF WINDSOR, WELD COUNTY, COLORADO

HELD: Thursday, October 26, 2023, at 5:30 p.m. (or as soon thereafter), at 250 11th Street, Buckeye/Redwood Room), Windsor, CO 80550, and via tele-conference, (720) 386-9023, Passcode: 126412.

ATTENDANCE:

A special meeting of the Boards of Directors (collectively, the “Board”) of the Village East Metropolitan District Nos. 1, 2, 4 & 5 (collectively, the “District”) was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

In attendance were Directors:

Larry Buckendorf – President and Chairperson
Joseph Schumacher – Asst VP/Secretary/Treasurer
Laira Ziegler – Secretary/Treasurer
Morgan Kidder – Asst. VP/Secretary/Treasurer

Also present were:

Cathy Fromm and Megan VanCamp, Fromm & Company LLC
David S. O’Leary, Spencer Fane LLP
Adam Bliven, Journey Homes

CALL TO ORDER:

Mr. Schumacher called the meeting to order at 5:35 p.m., noted that a quorum of the Board was present, and confirmed the qualification of the Directors to serve on the Board.

DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST:

Mr. O’Leary discussed the state law requirements for disclosure of potential conflicts of interest with the directors, noting that completed disclosure statements must be filed for each of the Directors with the Secretary of State and the Secretary of the District at least 72 hours prior to a meeting in which a potential conflict may arise. The Board noted that general disclosure statements had been filed on behalf of the members of the Board of Directors with the Office of the Colorado Secretary of State. Mr. O’Leary advised the Board that, pursuant to Colorado law, certain disclosures may be required prior to taking official action at the meeting. The Board reviewed the

agenda for the meeting, following which they confirmed the contents of written disclosures previously made by the directors, stating the fact and summary nature of any matters, as required by Colorado law, to permit official action to be taken at the meeting.

APPROVAL OF THE AGENDA:

The Board reviewed the agenda. Upon motion duly made by Director Kidder, seconded by Director Schumacher, and unanimously carried, the Board approved the agenda as presented. Mr. O'Leary reported that the meeting notice had been posted to the district website at www.frommco.us/client-ve.md.html, at least 24 hours prior to the meeting, pursuant to House Bill 19-1087.

APPOINTMENT OF BOARD MEMBER: Discussion ensued re the vacancy on the Boards of Directors of the Districts. Mr. O'Leary noted that proper publication had been made in order to permit the Board to appoint an additional board member to the vacant position and that at least ten (10) days had passed since the date of publication and no other letters of interest had been received. Meeting notice and notice of the vacancy was also posted on the District website. Mr. Bliven has expressed an interest in serving on the Boards of Directors and is a qualified elector through contract as permitted by statute. After discussion and confirmation that no other notice or letters of interest were received by legal counsel or District management from any homeowners or property owners of an interest in serving on the Boards of Directors, upon motion duly made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board moved to appoint Adam Bliven to the Board of Directors and appoint Mr. Bliven to the position of Asst. VP/Secretary/Treasurer. Oaths of Office shall be filed with the District Court and Division of Local Government concerning the appointment of Mr. Bliven to the Boards of Directors.

APPROVAL OF MINUTES:

The Board reviewed the Minutes of the special meeting held on November 21, 2022 Special Meeting. Upon motion duly made by Director Schumacher, seconded by Director Kidder, and upon vote, unanimously carried, the Board approved the Minutes as presented.

FINANCIAL ITEMS:

a. Payment of Claims. Mrs. Fromm presented the listing of prior claims for ratification, represented by check numbers 10001 through 10025, in the amount of \$114,131.35. Mrs. Fromm presented the listing of current claims to be approved, represented by check numbers 10026 through 10032, and in the amount of \$107,818.14. Upon motion duly made by Director Kidder, seconded by Director Schumacher, and unanimously carried, the Board approved the payables for ratification and approval, in the total amount of \$221,949.49.

b. Audit Items. Mrs. Fromm presented the 2022 Audit Exemption Applications for ratification to the Board. Upon motion duly made by Director Kidder, seconded by Director Schumacher, and unanimously carried, the Board ratified the 2022 Audit Exemptions as presented.

PUBLIC HEARINGS ON 2023 BUDGET AMENDMENTS AND 2024 BUDGETS:

Mr. O'Leary noted that proper publication had been made in order to allow the District to hold public hearings on the 2023 Budget Amendments and 2024 proposed Budgets, noting that Amendments would be needed. Upon motion duly made by Director Schumacher, seconded by Director Ziegler and unanimously carried, Mr. O'Leary opened the public hearing for comment. There was no public present and no public comments received, upon motion duly made by Director Schumacher, seconded by Director Ziegler and unanimously carried, the public hearing was closed. Mrs. Fromm presented the 2023 budget amendment to the Boards and reviewed the information and answered questions. Upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board approved the 2023 Budget amendments as discussed.

Upon motion duly made by Director Schumacher, seconded by Director Ziegler and unanimously carried, Mr. O'Leary opened the public hearing on the 2024 proposed budgets. There was no public present and no public comments received regarding the proposed 2024 budgets. Upon motion duly made by Director Kidder, seconded by Director Schumacher and unanimously carried, the public hearing was closed. Mrs. Fromm presented the 2024 Budgets to the Boards and reviewed the information and answered questions. Discussion ensued regarding the Residential Assessment Rate and potential adjustments from Proposition HH. It was noted that the costs for the new website would also need to be included. Upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board approved the 2024 Budget, adopted the resolutions to adopt the budgets, certify the mill levies and appropriate expenditures and funds with and without proposed proposition HH impacts, and authorized the District accountants to take such further action to make any adjustments as a result of statutory or state assessment or valuation adjustments that are approved by the state legislature or governor's office as discussed.

LEGAL ITEMS:

a. 2024 Administrative Matters Resolution. Mr. O'Leary presented the Annual Administrative Matters Resolution noting the engagement of all district consultants, updating promissory notes and noting transparency notice updates for all 2024 directors and officers. Upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board approved the 2024 Administrative Matters Resolution as presented, noting that Spencer Fane LLP would remain on as legal counsel and Fromm & Company LLC would continue to perform management and accounting services.

b. Exclusion of Worker's Compensation Insurance. Mr. O'Leary recommended that the Board approve the ongoing Waiver of Worker's Compensation coverage. Upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board approved the continual Waiver as requested.

c. 2022 Annual Report. Mr. O'Leary requested that the Board ratify the 2022 Annual Report, which was filed with the County and Town, accordingly. Upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board ratified the Annual Report as presented.

d. Website & Posting Resolution. Mr. O'Leary requested that the Board approve an amended website URL and updated posting resolution for the online posting of public meetings, noting that

all meeting agendas and notices would be posted on the District's website at <https://vemd.specialdistrict.org>, pursuant to House Bill 19-1087. Upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board approved the new website and posting resolution, as presented.

e. Approval of Residential Improvement Guidelines & Site Restrictions ("RIGSR"). The Board reviewed the RIGSR, and discussion ensued regarding arrears and non-compliance. Upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board approved the amendments to the RIGSR as discussed.

f. Trash Service Contract with RAM Waste Systems Inc. Ms. Fromm presented the trash contract with RAM to the Board for review, noting the semi-annual amounts of \$122.94. Upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board approved the contract as presented.

DISTRICT MANAGER ITEMS:

Discussion ensued regarding questions on the non-potable water system operations, enforcement, maintenance, restrictions, and ownership. Follow-up information will be provided to the Board and Management, when available. Ms. VanCamp provided an update on the new Streamline website and eUnify software. Further discussion ensued re hostile and aggressive communications with residents, noting threats made against staff, and ongoing issues. Upon motion duly made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board provided permission to Fromm & Company to secure the additional safety items needed such as signage and dash cameras for the enforcement of the Community, and to update the communications policies to disconnect any hostile and or threatening communications, and report to the local authorities, as needed. Ms. VanCamp will transmit out a community email to the residents, providing them with the necessary information for the new, eUnify Residential Portal and Streamline Website, and summarizing the communication policies & procedures.

OTHER MATTERS:

Further discussion ensued regarding the development status of the community, noting that District No. 4 would be multi-family, District No. 1 would be Commercial, requiring some inclusions and exclusions, and District No. 5 is the operating and control district. Commercial development should be completed by the end of 2024 while the residential build-out is at 100%. Mr. O'Leary will follow-up with the Board and Management re the subsequent meeting needed.

ADJOURNMENT:

There being no further business to come before the Board and upon motion duly made by Director Schumacher, seconded by Director Kidder unanimously carried, the meeting was adjourned at 5:48 p.m.

The foregoing Minutes constitute a true and correct copy of the Minutes of the above-referenced meeting and were approved by the Boards of Directors of the Village East Metropolitan District Nos. 1, 2, 4 & 5.

Respectfully Submitted,



Secretary for the Meeting

The Annual Meeting ensued pursuant to Section 32-1-903(6)(a) C.R.S., to present the status of public infrastructure projects, outstanding bonds, and review of financial statements and budget. Public questions and comments were addressed and received. Additional items will be posted to the District's website to address public inquiries and concerns, to include the approval and posting of approved meeting minutes