

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT

Special Board Meeting Minutes

Meeting Date: Friday July 07, 2023

Meeting Time: 4:05pm to 7:45pm

Meeting Location: Online meeting at www.gotomeet.me/Wolfersberger

I. Roll Call (4:05pm)

A special meeting of the Board of Directors of the Lupton Village Residential Metropolitan District (District) was called and held as shown above and in accordance with the statutes of the State of Colorado. The following Directors, having confirmed their qualification to serve on the Board, were in attendance:

Directors	Office	Attendance
Jeana Hughes	President	Present
Jordan Wipf	Treasurer	Present
Bradly Kaatz	Secretary	Present
William Johanningmeier		Present
Andrew Gerk		Present (Arrived at 4:11pm)

Other individuals attending the meeting in person was District Manager Charles Wolfersberger (Wolfersberger, LLC); District general counsel Michael Davis (Law Office of Michael Davis, LLC); and the following two homeowners: Baylee Brems (418 Bonneville Ave) and Gerrald Oberbeck (517 Beckwourth Ave).

II. Declaration of quorum

The District Manager noted that a quorum of the Board was present, the Directors had confirmed their qualification to serve, and the meeting notice as well as website log-in details had been timely posted on the District's website (<https://ccgcolorado.com/lvres/>). Director Hughes, therefore, called the special meeting of the Board of Directors of the District to order.

III. Present disclosures of potential conflicts of interest

The Board reviewed the agenda for the meeting, following which Director Hughes and Director Kaatz disclosed no conflicts of interest with the business to be discussed and conducted at the meeting. Director Wipf disclosed that he is a part owner of J&J Lawn Services, LLC – a contractor that has submitted a landscape bid to the Board for consideration at today's board meeting. Director Johanningmeier and Director Gerk disclosed that no changes were needed to their existing conflict of interest disclosure filings with the Colorado Secretary of State.

IV. Administrative Matters

1. Approval of meeting agenda: The Board reviewed the meeting agenda. Director Hughes motioned to approve the agenda as presented. Director Wipf seconded the motion and the Board voted 4-0 to approve the motion.
2. Status Update – Management transition and District records transfer: The District Manager reported that the District’s contract with Wolfersberger, LLC started on July 1st – only 6 days ago. The District Manager will work with CCG on obtaining all District files. The District Manager reported the online payment portal is working but the District’s website is not yet operational. He will notify the Board and all homeowners once the District’s new website is up and running.

V. Unscheduled Public Comments

Mr. Oberbeck asked about the design review approval process. The District Manager explained the process and noted he emailed a design request form to Mr. Oberbeck’s spouse. He also had questions about how District services to the townhomes were funded and whether single family homes were subsidizing services provided to the townhomes. The District Manager noted that townhome owners paid a separate quarterly fee of \$275/qtr for services unique to the townhomes (e.g. snow removal and landscape maintenance services).

A discussion occurred regarding whether fence lines are required to be installed by the single-family homeowners, what types of fence lines must be installed and when such fence lines must be installed by homeowners.

VI. Director Matters

Director Hughes asked whether the Developer would be installing additional public infrastructure to develop the 3.3-acre multi-family lot located south of the platted senior homes. Director Johannngmeier stated no additional public infrastructure was necessary to develop this lot - utility lines in the street are ready to be tapped into.

Director Hughes and Director Wipf expressed concerns about the sod installed at the dog park and the grading of the land. They noted a significant portion of the sod was dying and water from recent rain storms and irrigation was pooling in the middle of the dog park. The Board noted that this topic is an agenda item on today’s meeting and agreed to discuss this concern further later in today’s meeting.

VII. Financial and Contractual Matters

1. Review and consider engagement letter submitted by Paul Rufien, P.C. to serve as general counsel for the District: The Board reviewed and discussed the service contract submitted by Paul Rufien to serve as general counsel for the District. Director Hughes reported that she had talked with Paul Rufien and with Erica Garcia at Burg Simpson. The District Manager reported that he works with both attorneys on shared district clients. Director Hughes motioned to

approve the contract as presented. Director Wipf seconded the motion and the Board voted 5-0 to approve the motion.

2. Review and consider termination of services provided by Michael Davis, PC: The Board reviewed and discussed termination of Michael Davis as general counsel for the District. Mr. Wolfersberger noted Michael Davis serves as general counsel for Lupton Village Commercial Metro District and has a conflict of interest advising the Board regarding transactions and agreement between the two districts. Director Hughes motioned to terminate Michael Davis as general counsel for the District effective immediately. Director Wipf seconded the motion and the Board voted 5-0 to approve the motion. The Board thanked Mr. Davis for his time serving the District.
3. Review and consider opening a checking account with Vectra Bank: The District Manager recommended the Board consider opening a checking account with Vectra Bank. Director Hughes motioned for the District to open a checking account with Vectra Bank. Director Wipf seconded the motion and the Board voted 5-0 to approve the motion.
4. Review and consider resolution to open an investment account with CSAFE: The District Manager recommended the Board consider switching its investment account from ColoTrust to CSAFE and allow the monthly property tax deposits from the County Treasurer to be deposited into the CSAFE. The Board discussed the recommendation and Director Hughes motioned to approve the CSAFE resolution as presented. Director Wipf seconded the motion and the Board voted 5-0 to approve the motion.

Action Item #1: The District Manager will work on closing the District's investment account with ColoTrust and opening an account with CSAFE.

5. Review and consider 2023 Administrative Resolution: The District Manager presented, and the Board reviewed and discussed the 2023 administrative resolution. The Board discussed the resolution including meeting dates for the remainder of the year, physical posting location for notices and waiving of the meeting stipend. The Board agreed that in-person meetings would be moved from the recreation center to the library once the library was opened. Director Hughes motioned to approve the 2023 Administrative Resolution as modified. Director Kaatz seconded the motion and the Board voted 5-0 to approve the motion.

Action Item #3: The District Manager will post the regular meeting schedule for the remainder of the year on the District's website and file an updated transparency notice with the Department of Local Government.

6. Status update – 2022 financial statement audit: The District Manager reported that he has not yet received the audit report from the District's auditors regarding the District's 2022 financial statements. He noted that Andrea Weaver from Centennial Consulting Group reported that the audit is near completion but is waiting on receiving from the Developer copies of the Town's certificates accepting public infrastructure constructed by the Developer. The District Manager noted that because the construction agreement is between the Developer and the Town – i.e. the Town is accepting the public infrastructure from the Developer and the Developer is issuing performance bonds on such public infrastructure – the District should not be recognizing any such public infrastructure as assets of the District.

7. Review and consider landscaping service bids: The District Manager reviewed with the Board landscape service bids submitted by the following three companies: (1) Leo Landscape (current District landscaper), (2) J&J Lawn Service, LLC (company partly owned by Director Wipf) and (3) Environmental Designs. The District Manager noted that SOS Site Services declined to submit a bid stating the District was too far outside of their service area. The Board reviewed and discussed each bid. Director Hughes motioned to accept the bid from J&J Lawn Service, LLC and Director Kaatz seconded the motion. The Board voted 2-0 to approve the motion with Director Wipf, Director Johannngmeier and Director Gerk abstaining from the vote.

The Board discussed and agreed that a walkthrough of all District open space land tracts should be performed ASAP and attendees of the walkthrough should include J&J Lawn Service representative, Leo Landscape representative, Alex Carlson (former District Manager), current District Manager and representatives from FTL Land Assemblage, LLLP (the Developer). The purpose of the walkthrough is to (1) discuss the status of landscaping installed and yet to be installed on District land tracts and (2) determine what warranty claims should be filed and with which company such warranty claims should be filed.

Action Item #5: The District Manager will notify all contractors that submitted bids regarding the Board's decision.

Action Item #5: The District Manager will schedule a landscape walkthrough of all District land tracts.

Director Gerk left the meeting due to other time commitments.

8. Review and consider notice of reimbursement of developer advance submitted by the Lupton Village Commercial Metro District: The District Manager briefly reviewed the notice submitted by LVCMD to the District that LVCMD is reimbursing the Developer \$900,000 for capital costs that were certified and approved by the District's board four days before the Board election on March 28, 2023 (when the District Board was entirely comprised of directors affiliated with the Developer). The principal balance now on the District's Series 2023A Subordinate Note (issued on March 28, 2023) payable to LVCMD is \$1,150,000 and \$1,827,636 remains available to LVCMD to borrow against.
9. Review and consider proposed November 2023 TABOR ballot issues: The District Manager reviewed and discussed with the Board the proposed 2023 TABOR ballot issues and related Board resolution. The District Manager noted that (1) the District must notify Weld County Election Office by end of July whether the District will be submitting ballot issues for the November 2023 election and (2) ballot issues must be submitted to the County by the first week of September. The District Manager noted the District has approximately \$239 million in unused remaining voter borrowing authority and the District appears to have unlimited taxation authority from the "voters" to fund the District's operations each year. The voter authority came from the Developer who qualified five individuals to vote in a TABOR election in November 2020. Mr. Davis also commented on the history of the District's TABOR elections and why such ballot issues were proposed and voted on by the Developer's employees. Director Hughes motioned to defer discussion of the proposed ballot issues to next year. Director Wipf seconded the motion and the Board voted 4-0 to approve the motion.

10. Review and discuss issues regarding the May 2023 election: The District Manager noted that individuals employed or otherwise affiliated with the Developer ran against the three homeowners in the 2023 board election. He noted that per CRS 32-1-808, the three individuals may not have qualified to run for election against the homeowners (by failing to meet one of the exception criteria listed in subsection (2)). If these individuals were not qualified to run for election, the District would have not incurred any costs related to running the election. The Board discussed and decided not to pursue this issue further at this time.

11. Review and discuss District's acceptance of land tracts on April 28th that were deeded over to the District on April 21st and April 26th: The District Board discussed the condition of the 20 open space land tracts owned by the District. The District Manager reviewed with the board photos of certain land tracts where landscaping was either no installed or in significant disrepair. Mr. Davis noted LVCMD is planning to maintain the landscaping on the open spaces bordering all commercial land tracts within the boundaries of LVCMD. Nobody knew whether the sprinkler zones in the land tracts bordering commercial lots were serviced by a separate water meter. Mr. Davis indicated that contractor and/or Developer warranties may exist and may have not yet expired related to the landscaping installed on the District's land tracts. The Board agreed the planned landscape walkthrough should answer many of the Board's questions on how to resolve the landscape installation issues on District land tracts.

VIII. Meeting adjournment (7:45pm)

There being no further business to come before the Board, and upon motion duly made by Director Hughes, seconded by Director Kaatz, and unanimously carried, the meeting was adjourned. The next board meeting will be held on Thursday September 14, 2023 at 5:00pm at the Fort Lupton Recreation Center (203 S Harrison Ave Ft Lupton, CO 80621).


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Secretary

9/19/2023

Date