

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT

Special Board Meeting Minutes

Meeting Date: Thursday, January 4, 2024

Meeting Time: 5:02 pm to 6:37 pm

Meeting Location: Online video conference at www.gotomeet.me/Wolfersberger

I. Roll Call (5:02 pm)

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
Andrew Gerk	Assist. Secretary	Present
Vacancy		

Other individuals attending the meeting was District Managers Charles Wolfersberger and Jessica Reynolds (Wolfersberger, LLC), Paul Rufien, legal counsel for the District and the following homeowners: Douglas Bacon (503 S Rollie Ave Unit 12B), Andre and Natalia Quintana (503 S Rollie Ave Unit 12C), Paul Witmer (503 S Rollie Ave Unit 8D), Manual Garcia (503 S Rollie Ave Unit 11C), Joshua Walmsley (1353 Reynolds St Unit 7A) and Chee (1353 Reynolds St Unit 13A).

II. Declaration of quorum

Director Hughes noted that a quorum of the Board was present and the Directors confirmed their qualification to serve. Director Hughes, therefore, called the 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 landscape contract with the District. Director Gerk reported that his conflict-of-interest disclosure was filed with the Colorado Secretary of State prior to the meeting.

IV. Administrative Matters

1. Approval of meeting agenda: The Board reviewed the meeting agenda. Director Hughes motioned to approve the agenda as presented. Director Gerk seconded the motion and the Board voted 4-0 to approve the motion.
2. Review and consider November 28, 2023 board meeting minutes: The Board reviewed the November 29, 2023 board meeting minutes. Director Wipf motioned to approve the minutes as presented. Director Kaatz seconded the motion and the Board voted 4-0 in favor of the motion.
3. Review and consider November 28, 2023 townhall meeting minutes: The Board reviewed the November 29, 2023 townhall meeting minutes. Director Wipf motioned to approve the minutes as presented. Director Hughes seconded the motion and the Board voted 4-0 in favor of the motion.
4. Consider filling board vacancy: The District Manager reported that Director William Johanningmeier resigned from the Board of Directors effective November 29, 2023. The Board of Directors thanked Mr. Johanningmeier for his service. The Board of Directors discussed the filling of the vacant seat. Mr. Walmsley expressed interest in filling the vacant seat on the Board. Director Kaatz noted no homeowners from the single family homes are represented on the Board and requested an email blast be sent to the entire community announcing the vacant seat on the Board to provide another opportunity for any homeowners/residents in the community to notify the District regarding their interest in filling the vacant seat.

Action item 01: The District Manager will send a community email blast regarding the vacant seat on the Board.

5. Review and consider 2024 Administrative Resolution: The District Manager presented and the Board reviewed and discussed the 2024 administrative resolution. The Board agreed to keep officer positions the same among the directors. Director Kaatz motioned to approve the 2024 Administrative Resolution as presented. Director Wipf seconded the motion and the Board voted 4-0 to approve the motion.

V. Public Comments:

Mr. Witmer reported that the post office is withholding mail delivery to the mailboxes in the Rollie Ave townhomes because there is an inoperable truck on blocks stored in a parking spot near the mailboxes.

Action Item 02: The District Manager will initiate the towing process per the Board's parking enforcement policy for the vehicle and contact the post office.

Mr. Bacon expressed his concern regarding the parking enforcement throughout the community and asked that the Board's parking enforcement policy be available to review

from the District's website. The District Manager showed how to find the parking enforcement policy and other District policies on the District's website.

Ms. Quintan expressed her concern regarding the limited parking available in the Rollie Ave townhomes, reporting that the garages are not big enough to store their trucks.

Ms. Chee reported that the grass was getting tall at the Reynolds St playground.

VI. Director Matters:

Director Kaatz reported that the exterior lights at the end of the townhome buildings are too tall for the homeowners to maintain and replace light bulbs. Director Kaatz motioned that the District maintain the second story lights at the end of the townhome buildings. Director Wipf seconded the motion and the Board voted 4-0 to approve the motion.

VII. Financial and Contractual Matters:

1. Review and consider Global Settlement and Release Agreement (GSR) with Lupton Village Commercial Metro District: The Board discussed the GSR Agreement with the Lupton Village Commercial Metro District.

Director Hughes the following statement regarding the GSR Agreement:

"This board has been put in a very difficult position. Because we were elected before the developer planned to turn over the board to residents and because we hired a management company that is known to represent homeowner-controlled boards and through that has been involved in lawsuits against developers in other districts, the funding that was being provided by the developer run commercial district has been cut off unless we enter into this agreement. While I did everything I feel I could have to ensure that this agreement serves the residents of our district including negotiating for the residential district to receive more money, I want to make it clear that I will be voting yes tonight on this agreement because I feel we have been given no viable alternatives due to the financial situation we have been put in.

The funding being cut off has resulted in us being more than \$50k in the negative on outstanding bills from previous years and we're looking at a projected shortfall of \$99k next year for our operating expenses, until property taxes catch up. So, in order to fund our District, and having no viable alternatives, I will be voting yes."

Director Wipf made the following statement regarding the GSR Agreement:

"I would like to give a little background on this issue, as well as explain the reason that I am voting yes on this agreement. The board members in this district have been put in a position where we have two choices. We can either raise rates on the residents or we can sign this agreement which releases the developer from any and all past present and future claims the district might have against them, and, in exchange, our district gets \$250,000 to be spent at the discretion of this board to

cover our \$50,000 shortfall for last year as well as a projected \$100,000 shortfall for 2024. Another board member and I did the best we could to negotiate this agreement and make the best of a bad situation. The Developers who control the commercial district knew full well that they would need to subsidize the residential district for at least three years until our tax revenue caught up with our expenses. In fact they had budgeted in last year's budget to do this. However, when the residents took control of the board in May, we decided to hire a new management company, Wolfersberger LLC, who we felt would have the best interest of the residents at heart. The developers see Wolfersberger as a threat to them because of the owner, Charles Wolfersberger's reputation in the industry for being extremely anti-developer, and often times managing districts who choose to go after developers legally. This is what the Developers informed us many times they were most concerned with. Because of this, the developers gave us an ultimatum: fire Charles or we don't get any money. Originally, we felt there was no other choice but to do this and we agreed, pending board approval. After we got the first draft of the agreement drawn up by the commercial district attorney, the agreement looked nothing like we had negotiated. For one, there was no mention of firing Charles, instead, there was a provision that the residential district releases the commercial district of all claims, past, present and future. Second the agreement stated that the commercial district would have to approve all invoices which we felt was unacceptable because it would put us in the exact same situation we are in now, namely, being beholden to the whims of the commercial district Board of Directors, which is made up of these very same developers. At this point we asked for the agreement to be redone and the lawyers took over. After a few more back-and-forth conversations between the attorneys, this agreement is what resulted. We did feel that for a complete release, we should at least get more money, but the developer refused this request, saying they had been "very generous" already, even though, again, the need for continued funding was not a surprise to them. They knew they would have to support our district till we got our tax income up, and even budgeted for this. Anyway, the bottom line is we have been backed into a corner by the Developer, and we must choose between basically doubling the rates our residents pay, which is unconscionable, or give the Developers what they want, namely, a broad release of all claims. I just would like it to be known that when I vote yes on this agreement today, it will be because I have no other choice."

Director Kaatz made the following statement regarding his complete objection to the GSR Agreement.

"I want to call out the previous board for running up the debt for Lupton Village Metro District. The reason this happened is the board members were either the developer, the builder, or the builder's lawyer. One property had the ownership split 98, 1, 1 % In order to fill the board with developer employees. This affect was letting wolves into the hen house. Basically, there were no checks and balances. They had a blank checkbook that was connected to the homeowners. In May the final meeting of the developer run board stole 3 million more dollars. I call it stolen because if it was a real deal, it wouldn't have been a special meeting days before the board was changed. This is why I am on the board and why I think the developer and the builder

did shady moves to take money that was not needed for the build. Now after all is said and done, the developer has blackmailed the new homeowner-controlled board into signing away legal rights in order to fund the board. I don't think a judge would allow such an agreement to keep me or any other board member from suing the developer. This is due to the fact the developer held homeowners' money hostage in order to fund 2023 and 2024. FYI – the Developer-run board hired Miller Landscaping that charges 2/3rds more than a normal landscaper. The warranty issue is a major contributor to the financial issue.”

Director Wipf motioned to approve the GSR Agreement with the Lupton Village Commercial Metro District, FTL Land Assemblage, LLLP and Lupton Village Land Developers, LLC. Director Hughes seconded the motion and the Board voted 2-1-1 in favor of the motion with Director Kaatz voting against the motion and Director Gerk abstaining from the vote due to his employment relationship with Lupton Village Land Developers, LLC.

2. Continuation of the public hearing on District's proposed 2024 budget: Director Hughes motioned to continue the public hearing on the District's proposed 2024 budget at 6:11pm. Mr. Wolfersberger noted the GSR Agreement had to be ratified by the Board or else the Board would be required to modify the 2024 budget to reflect higher service fee revenue and/or property tax revenue to ensure sufficient secured funding exists to fully cover all budgeted expenditures reflected in the 2024 proposed budget. Mr. Wolfersberger also noted the only substantive changes to the current version of the 2024 budget compared to the budget version reviewed during the November 28th board meeting was the updated property valuation provided by the County (which reflected a 9% decrease in property values) and adjustments to the debt and general mill levy that offset the impact on tax revenue from the State of Colorado's recently adopted adjustment to the calculation of taxable value of property.

Ms. Reynolds briefly reviewed the proposed 2024 budget noting the detailed review occurred at the November 28th board meeting.

Director Hughes closed the public hearing on the District's 2024 budget at 6:19pm.

3. Consider resolution to adopt the 2024 budget, appropriate funds, set mill levies: The District Manager presented the resolution to adopt the 2024 budget, set mill levies and appropriate funds. Director Hughes motioned to approve the resolution as presented. Director Wipf seconded the motion and the Board voted 4-0 to approve the motion.

Action Item 03: District Manager will file the 2024 budget with the State of Colorado and the mill levy certification with the County Treasurer.

4. Review and consider 2024 audit engagement letter from BF Borgers: The District Manager reviewed with the Board the 2024 audit engagement letter submitted by BF Borgers CPA firm. Director Wipf motioned to appoint BF Borgers to audit the District's 2023 financial statements. Director Kaatz seconded the motion and the Board voted 4-0 to approve the motion.

5. Review and consider 2024 management and accounting contract with Wolfersberger LLC: The Board reviewed and discussed the 2024 service contract submitted by Wolfersberger, LLC. Director Wipf motioned to approve the 2024 service contract as submitted. Director Kaatz seconded the motion and the Board voted 4-0 to approve the motion.
6. Review and discuss snow removal trigger depth: The Board discussed the snow trigger depth for the snow removal services. Director Wipf reported that the current 3" trigger depth on the sidewalks in the open spaces resulted in iced over sidewalks for several days and is concerned about resident's safety. The Board determined that a 2" trigger depth for sidewalks and a 4" trigger depth for driveways would better suit the needs of the community.

Action item 04: The District Manager will contact the snow vendor to alter the snow trigger depths for snow removal services.

7. Review and consider Parking Signs. The Board discussed the parking signs for the community and determined to purchase 6 signs to place near the entrances of the townhome driveways.

Action item 05: The District Manager will order 6 parking signs and request a bid for installation of the signs.

8. Review and consider towing agreement with Villalobos Towing. The Board reviewed and discussed the towing agreement with Villalobos Towing. Director Wipf motioned to approve the towing agreement with Villalobos Towing. Director Kaatz seconded the motion and the Board voted 4-0 in favor of the motion.

VIII. Meeting adjournment (6:37 pm)

There being no further business to come before the Board, and upon motion duly made by Director Hughes and unanimously carried, the meeting was adjourned. The next regularly scheduled meeting will be held Thursday, February 8th at 5:30pm at the Ft. Lupton High Plains Library (370 S Rollie Ave, Ft. Lupton CO 80621).

DocuSigned by:

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Secretary

2/14/2024

Date