

**RECORD OF PROCEEDINGS
MINUTES OF THE COMBINED SPECIAL MEETING
OF THE BOARDS OF DIRECTORS OF THE
HUNTERS OVERLOOK METROPOLITAN DISTRICT NOS. 1 - 8
TOWN OF SEVERANCE, WELD COUNTY, COLORADO**

HELD: Monday, November 21, 2022 at 3:15 p.m., 7251 20th Street, L-200, Greeley, CO
Via Teleconference – (720) 386-9023, Passcode: 126412.

ATTENDANCE:

A combined special meeting of the Boards of Directors (collectively, the “Board”) of the Hunters Overlook Metropolitan District Nos. 1 - 8 (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 (via telephone – Nos. 1-8)
Laira Ziegler – Secretary/Treasurer (Nos. 1-8)
Morgan Kidder - Assistant Vice-President/Secretary/Treasurer (Nos. 1, 4, 7 & 8)
Joseph Schumacher - Assistant Vice-President/Secretary/Treasurer (Nos. 1-4 & 6-8)
Nicholas McGraw – Assistant Vice-President/Secretary/Treasurer (via telephone - No. 2)
Matthew Walter – Assistant Vice-President/Secretary/Treasurer (No. 3)
Matthew Caldwell – Assistant Vice-President/Secretary/Treasurer (via telephone - No. 5)
Phillip Jenkins - Assistant Vice-President/Secretary/Treasurer (No. 5)
Gordon Coombes - Assistant Vice-President/Secretary/Treasurer (No. 6)
Absent was Director McAllister, whose absence was excused.

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. Buckendorf called the meeting to order at 3:53 p.m., noted that a quorum of the Board was present, and confirmed 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

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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 Ziegler, seconded by Director Schumacher, and unanimously carried, the Board approved the agenda as presented. Mr. O'Leary reported that the meeting notice and agenda had been posted to the district websites at www.frommco.us/client-homd.html (The Overlook), www.frommco.us/client-hc.html (Hunters Crossing) and www.frommco.us/client-sr.html (Severance Reserve), at least 24 hours prior to the meeting, pursuant to Statute.

ELECTION OF OFFICERS: The Boards welcomed the new, residential board members. Mr. O'Leary requested that the Board elect current officers for each Board. Discussion ensued. Upon motion duly made by Director Schumacher, seconded by Director Buckendorf, and unanimously carried, the Board approved the election of officers, as presented (see attendance).

APPROVAL OF MINUTES:

The Board reviewed the Minutes of the meetings held on November 18, 2021 (Nos. 1 – 8), February 2, 2022 (Nos. 1 & 7) and February 7, 2022 (No. 7). Upon motion duly made by Director Schumacher, seconded by Director Ziegler, and unanimously carried, the Board approved the Minutes as presented.

PUBLIC HEARING ON DELINQUENT ACCOUNTS:

Ms. VanCamp reported that delinquent notifications had been transmitted out in the form of certified/return-receipt letters, to all residents who have a delinquent balance of at least six (6) months past-due, and \$150, pursuant to Sections 32-1-1101(1)(e) and 39-10-107, of the Colorado Revised Statutes. Ms. VanCamp reviewed the list with the Board and responded to inquiries. Mr. O'Leary presented a Resolution to approve the certification of delinquent accounts. Discussion ensued. Director Buckendorf opened the public hearing. Several members of the public were present to comment. Mr. Buckendorf responded to inquiries on accounts and Ms. VanCamp was requested to transmit account detail to Director Buckendorf, within the next business day. The public hearing was closed. Upon motion made by Director Ziegler, seconded by Director

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Schumacher and unanimously carried, the Board approved the Resolution, to include an additional \$75 administrative fee and a \$30 certified letter fee for each certified account. Ms. VanCamp reported that all remaining delinquent accounts would be certified to Weld County by the December 1st, 2022 deadline for collection with the 2023 Weld County property taxes.

FINANCIAL ITEMS:

a. Payment of Claims. Ms. Fromm presented the listing of district claims to be ratified in the amount of \$2,090,668.60, represented by check numbers 01271 through 01334, and current listing of claims to be approved in the amount of \$48,069.97, represented by check numbers 01335 through 01339. Ms. Fromm presented the listing of HOWAE claims to be ratified in the amount of \$310,396.32, represented by check numbers 10037 – 10086, and current listing of claims to be approved in the amount of \$7,881.60, represented by check numbers 10087 through 10090. Discussion ensued. Upon motion duly made by Director Ziegler, seconded by Director Schumacher, and unanimously carried, the Board approved the payables for ratification and approval in the total amounts of \$2,138,738.57 (District) and \$318,277.96 (HOWAE).

b. Financial Statements. Ms. Fromm presented the financial statements dated September 30, 2022 to the Board. Discussion ensued regarding the bond payment that will be made. Upon motion made by Director Ziegler, seconded by Director Schumacher, and unanimously carried, the Board accepted and approved the financial statements as presented.

c. 2021 and 2022 Audit Items. Ms. Fromm requested that the Board consider ratification of the 2021 Audits (Nos. 1-6) and audit exemptions (Nos. 7 & 8), noting that District Nos. 1 – 7 would be requiring audits within the 2022 year, and District No. 8 would be filing an audit exemption application. Upon motion made by Director Ziegler, seconded by Director Schumacher and unanimously carried, the Board ratified the 2021 audits and audit exemptions as presented. Ms. Fromm reported that the 2022 audits would be prepared by Haynie & Company, and that engagement letters would be provided for signature as soon as they had been received.

PUBLIC HEARINGS ON 2022 BUDGET AMENDMENTS AND 2023 BUDGETS:

Mr. O’Leary noted that proper publication had been made in order to allow the District to hold public hearings on the 2022 budget amendments and 2023 budgets. Mr. Buckendorf opened the public hearing. There being no public comment, the public hearing was closed. Ms. Fromm presented the 2023 budgets, noting that amendments may be needed for District Nos. 1 – 7, with the new bond issuance. Ms. Fromm also provided an overview of the adjustment for the residential assessment rate and discussion ensued. Mr. O’Leary requested that the Board consider approval of both the 2022 Amendments and 2023 Budget Resolutions, to include the final Assessed Valuations. Upon motion made by Director Ziegler, seconded by Director Schumacher and

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unanimously carried, the Board approved the Resolutions, amending the 2022 Budgets, approving the 2023 Budgets, certifying mill levies and appropriating expenditures within the 2023 year.

LEGAL ITEMS:

a. Updates to Residential Improvement Guidelines & Site Restrictions (RIGSR). Ms. Ziegler presented the revised RIGSR for board review. New board members for District Nos. 2, 3, 5 & 6 inquired as to whether or not individual boards could modify the Guidelines & Restrictions for each individual district. Mr. O’Leary noted that District No.1 was the operating District that helps coordinate the guidelines project-wide for all of District Nos. 1 – 8, and only District No. 1 could make modifications to those items. The covenants and guidelines are for the entire development project not just one District, as such changes would be required to be made project wide with input from the Declarant that provided the original covenants. Inquiries were received pertaining to the watering system and restrictions. Mr. O’Leary and Mr. Buckendorf explained that the District does not own the water supply, so the decision to turn the water on/off, costs and restrictions are not solely up to the District and/or Board, rather various ditch companies or reservoirs that provide the water supply the water when available and upon their schedule. Further discussion ensued regarding the operating district and actions that can be taken by the individual boards. Upon motion duly made by Director Ziegler, seconded by Director Schumacher and unanimously carried, the Board approved the revisions as presented and directed Fromm & Company to post accordingly to the District’s websites.

b. Approval and Ratification of Improvement Acquisition Agreement and Advance and Reimbursement Agreement for Capital Costs for the Severance Reserve Subdivision. Mr. O’Leary discussed the funding and reimbursement agreements for the Severance Reserve Subdivision within District No. 7. Mr. O’Leary presented the agreements and requested that the Board consider approval and ratification of the Developer Funding Agreements for SR Severance Reserve Investments, LLC and District No. 7. Upon motion duly made by Director Ziegler, seconded by Director Schumacher and upon vote unanimously carried, the Board approved and ratified the Improvement Acquisition Agreement and Advance and Reimbursement Agreement for Capital Costs related to the Severance Reserve Subdivision as presented.

c. Consider Acceptance of Capital Improvements related to Severance Reserve Subdivision. Mr. O’Leary presented the improvement acquisition notice and request of the developer for the Severance Reserve Subdivision within District No. 7 for reimbursement of capital costs constructed and certified to District No. 7 and District No. 1. Upon motion duly made by Director Ziegler, seconded by Director Schumacher and upon vote unanimously carried, the Board approved and accepted the capital improvements presented to the Boards and certified by the District Engineer as presented.

d. Consider Approval of Resolution of the Districts to Reimburse Capital Improvements for Severance Reserve. Mr. O’Leary discussed the request of the developer which constructed the

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public improvements for Severance Reserve on behalf of the property within District No. 7 that the Boards consider approval of the Resolution to Reimburse the capital improvements and related costs and expenses constructed for the Severance Reserve Subdivision. Upon motion duly made by Director Ziegler, seconded by Director Schumacher and unanimously carried, the Board approved the Reimbursement Resolution as presented.

e. 2023 Administrative Matters Resolution. Mr. O’Leary presented the Resolution noting the engagement of all district consultants and transparency notice updates. Upon motion made by Director Ziegler, seconded by Director Schumacher and unanimously carried, the Board approved the 2023 Administrative Matters Resolution as presented, naming Fromm & Company as the Manager & Accountant and Spencer Fane as the District’s Legal Counsel. The Board further instructed the District consultants to update the information with the Division of Local Government and provide that information on the District website.

f. Consider Approval of Updates to Improvement Acquisition Agreement and Advance and Reimbursement Agreement for Capital Costs for the Severance Reserve Subdivision. Mr. O’Leary discussed the current outstanding funding and reimbursement agreements for the Districts and the need to renew and extend the existing agreements and promissory notes for outstanding balances for an additional year. Mr. O’Leary discussed updates to the agreements and requested that the Board consider approval of any necessary updates to the Developer Funding Agreements for District Nos. 1-8 and related interest accruals or capital advances for 2022 through year end. Upon motion duly made by Director Ziegler, seconded by Director Schumacher and upon vote unanimously carried, the Board approved and authorized the District consultants to make any changes necessary to update and extend the current Improvement Acquisition Agreement and Advance and Reimbursement Agreement for Capital Costs and updates to any related promissory notes through year end for an additional year as discussed.

g. Exclusion of Worker’s Compensation Insurance. Mr. O’Leary requested that the Board approve the ongoing Waiver of Worker’s Compensation. Upon motion made by Director Ziegler, seconded by Director Schumacher and unanimously carried, the Board approved the continual Waiver as requested.

h. Ratification of 2021 Annual Report. Mr. O’Leary presented the Report to the Board. Upon motion made by Director Ziegler, seconded by Director Schumacher and unanimously carried, the Board ratified approval of the Annual Report, as requested.

i. Approval of May 2023 Regular Election Resolution. Mr. O’Leary presented the Resolution to the Board, noting that three (3), 4-year terms would be open at the 2023 Election, on each district. Upon motion made by Director Ziegler, seconded by Director Schumacher and unanimously carried, the Board approved the Resolution as requested and authorized the

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designated election official on behalf of the Districts to conduct the election in accordance with statutes.

j. Approval of updates to District Fee Resolutions. Ms. VanCamp and Ms. Fromm conveyed the need to increase fines and clarify the frequency for enforcement notices, as it had been repeatedly reported by residents that they would rather just pay the fine instead of comply with district Guidelines, Restrictions and Covenants. Ms. VanCamp requested that the Board consider increasing fines as noted within the revised Schedule of Fines to \$50, \$100 and \$200 for 2nd, 3rd, and 4th notices, to be assessed semi-weekly, noting that any notice after the 3rd notice would receive a Certified/RR letter with an additional \$30 certified fee. It was reiterated that there would be no courtesy notices for watering violations, those would be fined immediately as noted on the Schedule. In addition to the enforcement fines, Ms. VanCamp requested that the board consider adopting a status letter preparation fee for when properties transfer, as multiple status letters were being requested for the same property. Upon motion duly made by Director Ziegler, seconded by Director Schumacher and unanimously carried, the Board approved the increase of enforcement fines and the assessment of a \$40 fee for the preparation of status letters, upon closing of any owner-to-owner property.

k. Annual Engagement of District Consultants. The board discussed the current consultants for the District Services and engagement of consultants for 2023. After discussion, upon motion duly made by Director Ziegler, seconded by Director Schumacher and upon vote unanimously carried, the Board approved and authorized the engagement of District consultants for 2023 and authorized District management to update or obtain any engagement documents or extensions necessary to engage the District consultants for 2023.

MANAGEMENT ITEMS:

a. Tree Replacement & Removal. Ms. VanCamp noted that the Town of Severance had made the determination to permit residents to decide whether to remove their dead trees, or replace them, and that replacement would no longer be mandatory. Ms. VanCamp requested that the Board make the same determination. Upon motion duly made by Director Ziegler, seconded by Director Schumacher and unanimously carried, the Board moved to allow residents to remove and/or replace their trees, as long as they obtain the necessary approval for replacement if they plan to replace with a different type of tree, and as long as the extraction site is repaired and restored upon removal.

b. Trash Services & Contract. Ms. VanCamp reported that several bids had been obtained pertaining to trash & recycling services. After review and comparison, it was noted that RAM remains consistently lower in cost, with comparable services, to most other providers within the area. Ms. VanCamp requested that the Board consider approval of the 2023 contract for ongoing

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area. Ms. VanCamp requested that the Board consider approval of the 2023 contract for ongoing services. Discussion ensued. Upon motion duly made by Director Ziegler, seconded by Director Schumacher and unanimously carried, the Board approved the contract with RAM as presented, noting an increase from \$107.88 every 6 months to \$115.44, within the 2023 year.

c. Compliance, Vandalism and Increasing Hostilities. Ms. VanCamp reported that management had been experiencing some extreme hostilities and threats from residents over ARC items, fines, the water system and enforcement. Director Buckendorf requested a list of residents and noted that he would make any calls necessary to alleviate some of the pressure. Ms. VanCamp reported that management was attempting to resolve most issues via email, in order to have a paper trail, and that if residents became hostile or unmanageable over the phone, the call would be disconnected, and further communications would be handled solely through written communications. Additional discussion ensued pertaining to vandalisms at the park restrooms. Fromm & Company was directed to prepare and transmit out a newsletter addressing particular enforcement issues and the ARC review process, to be transmitted out with the billing insert and invoice, noting that the District maintains and operates the park and that vandalisms to the park and/or amenities is a cost to all residents. Ms. VanCamp also noted that a waiver would be provided to all title companies and sales associates, requiring a signature by all new homeowners, agreeing to district Rules, Guidelines, Restrictions, Covenants and Fees, and noting that all property improvements require ARC approval.

OTHER MATTERS: There were none.


PUBLIC COMMENT:

There were no additional public comments at this time.

ADJOURNMENT:

There being no further business to come before the Board and upon motion duly made by Director Ziegler, seconded by Director Schumacher, and unanimously carried, the meeting was adjourned at 5:17 p.m.

The foregoing Minutes constitute a true and correct copy of the Minutes of the above-referenced combined meeting and were approved by the Boards of Directors of the Hunters Overlook Metropolitan District Nos. 1 - 8.

Respectfully Submitted,


Secretary for the Meeting