

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MUEGGE FARMS METROPOLITAN DISTRICT NO. 1 HELD JANUARY 18, 2024

A Special Meeting of the Board of Directors (the “Board”) of the Muegge Farms Metropolitan District No. 1 (the “District”) was convened on Thursday, January 18, 2024, at 9:00 a.m. by Zoom video/telephone conference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

James E. Marshall (for a portion of the meeting)
John P. Vitella
Brandon S. Wyszynski
Randy Bauer

Also In Attendance Were:

AJ Beckman; Public Alliance, LLC
Suzanne Meintzer, Esq. and Jay Morse, Esq.; McGeady Becher P.C.
Eric Weaver and James Shultz; Marchetti and Weaver, LLC
Brett Price; Oakwood Homes

ADMINISTRATIVE MATTERS

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Mr. Beckman noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. Attorney Meintzer noted that Disclosure Statements were filed for all directors with the Secretary of State, and no additional conflicts were disclosed at the meeting.

Agenda: Mr. Beckman distributed, for the Board’s review and approval, a proposed Agenda for the District’s Special Meeting. Following discussion, upon motion duly made by Director Bauer, seconded by Director Vitella and, upon vote, unanimously carried, the Agenda was approved, as amended.

Meeting Location and Posting of Meeting Notices: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District’s Board meeting. Following discussion, upon motion duly made by Director Bauer, seconded by Director Vitella and, upon vote, unanimously carried, the Board determined the meeting would be held by

RECORD OF PROCEEDINGS

video/telephonic means, and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location was duly posted and that no objections to the video/telephonic manner of the meeting, or any requests that the video/telephonic manner of the meeting be changed by taxpaying electors within the District boundaries, have been received.

Board Vacancy: The Board discussed the vacancy on the Board. No action was taken.

CONSENT AGENDA The Board considered the following actions:

- Approval of the Minutes of the October 19, 2023 Annual Meeting and October 26, 2023 Special Meeting.

Following discussion, upon motion duly made by Director Wyszynski, seconded by Director Bauer and, upon vote, unanimously carried, the Board approved and/or ratified approval of the Consent Agenda items.

**PUBLIC
COMMENTS**

There were no public comments.

**FINANCIAL
MATTERS**

Claims: Mr. Weaver presented for the Board's review and consideration the claims list for the period ending January 18, 2024. Following review, upon motion duly made by Director Bauer, second by Director Marshall and, upon vote, unanimously carried, the Board ratified approval of the payment of claims for the period ending January 18, 2024.

Chase Bank: Mr. Weaver recommended to the Board setting up a bank account with Chase Bank to ease American Conservative Billing Solutions Inc.'s monthly billing schedule. Following discussion, upon motion duly made by Director Marshall, seconded by Director Wyszynski and, upon vote, unanimously carried, the Board authorized Mr. Weaver to set up a bank account with Chase Bank and list Directors Marshall and Wyszynski as signers on the account.

Unaudited Financial Statements: Mr. Weaver reviewed with the Board the unaudited financial statements for the period ending December 31, 2023. Following discussion, upon motion duly made by Director Marshall, seconded by Director Wyszynski and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending December 31, 2023.

Updated Signers for Bill.com: The Board entered into discussion regarding authorizing updated signers for Bill.com. Following review and discussion, upon motion duly made by Director Wyszynski, seconded by Director Bauer and, upon

RECORD OF PROCEEDINGS

vote, unanimously carried, the Board ratified the authorization of updated signers for Bill.com, being Directors Marshall and Wyszynski.

Repayments to Clayton and MGV under the FARA: Attorney Meintzer reviewed the District No. 1 Facilities Acquisition and Reimbursement Agreement (the “FARA”) between the District, Clayton Properties Group II, Inc. (“Clayton II”) and MGV Investments, LLC (“MGV”), explaining the FARA provided that once the bond proceeds were fully used, the amounts received from Muegge Farms Metropolitan District No. 2 under the District Nos. 1 and 2 Cost Sharing Agreement could be used to reimburse Clayton II and MGV, or Clayton II or MGV, pursuant to their instructions on same.

Attorney Meintzer also noted that given the corporate merger between Clayton II and Clayton Properties Group, Inc. (“Clayton”), with Clayton being the surviving entity, the FARA should be amended to reflect that Clayton is the entity that will be reimbursed going forward.

Following review and discussion, upon motion duly made by Director Marshall, seconded by Director Bauer and, upon vote, unanimously carried, the Board authorized staff to prepare an amendment to the FARA reflecting the corporate merger between Clayton II and Clayton, with Clayton being the surviving entity.

The Board also authorized a reimbursement to both Clayton and MGV in the amount of \$249,608.00 each, to be applied to principal owed under the FARA. Finally, the Board directed that reimbursement of future verified costs be split equally between Clayton and MGV.

OPERATIONS AND MAINTENANCE MATTERS

Design Review Committee Report/Update: Mr. Beckman reported that the design review process is proceeding efficiently, with Public Alliance performing the initial design submittal review and subsequently emailing the submittal and initial comments to each member of the Design Review Committee.

Covenant Enforcement Matters: Mr. Beckman reported that certain homeowner fences were installed prior to the District’s adoption of design guidelines, but after the Master Declaration of Covenants, Conditions, and Restrictions for Muegge Farms Filing No. 4 (the “Declaration”).

The Board discussed potential solutions, including the possibility of the District and Lennar Colorado, LLC (“Lennar”) sharing the cost to modify the fencing to be compliant with the Declaration and design guidelines. Director Marshall offered to discuss potential contributions with Lennar.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Bauer, seconded by Director Wyszynski and, upon vote, unanimously carried, the Board authorized Mr. Beckman to negotiate the cost of modifying the fencing to be compliant with the Declaration and design guidelines, following Director Marshall's discussion with Lennar. The Board further designated Director Marshall to approve final payment of the contribution amount for Mr. Beckman's negotiations.

Other Matters: There were no other operations and maintenance matters to discuss at this time.

CONSTRUCTION AND CAPITAL MATTERS

Status of Construction: Mr. Price reported that he is working on obtaining approvals for the storm water detention pond, and an updated landscaping plan. Pending timely approval, Oakwood Homes is planning to begin the next phase of public improvements construction this spring.

Other: There were no other construction and capital matters to discuss at this time.

LEGAL MATTERS

Amended or New Multiple-Year Operation Funding Agreement: Attorney Meintzer noted that based on the unaudited financials presented during the meeting, the outstanding amount owed by the District to Clayton II under the Amended and Restated Multiple-Year Operation Agreement was \$267,000 through December 31, 2023, plus interest thereon.

Given the additional budgeted developer advance amounts of \$214,000 for fiscal year 2024, and the corporate merger between Clayton II and Clayton, with Clayton being the surviving entity, Attorney Meintzer recommended that either: (1) the Amended and Restated Multiple-Year Operation Agreement with Clayton II be amended to include the updated shortfall amount of \$481,000, and Clayton as the correct funding entity; or (2) the Amended and Restated Multiple-Year Operation Agreement with Clayton II be terminated with a new Multiple-Year Operation Funding Agreement with Clayton drafted to reflect the increased shortfall amount, that the outstanding amounts will be owed to Clayton, and that Clayton is the funding entity to which the District's repayment obligation will run.

Following review and discussion, upon motion duly made by Director Wyszynski, seconded by Director Bauer and, upon vote, unanimously carried, the Board authorized legal counsel to prepare the documents necessary to reflect the increased shortfall amount, that the outstanding amounts will be owed to Clayton, and that Clayton is the funding entity to which the District's repayment obligation will run.

Other: There were no other legal matters to discuss at this time.

RECORD OF PROCEEDINGS

OTHER BUSINESS

There were no other matters to discuss at this time.

ADJOURNMENT

Following discussion and review, upon a motion duly made by Director Wyszynski, seconded by Director Bauer and, upon vote unanimously carried, the meeting was adjourned.

Respectfully submitted,

By _____

DocuSigned by:

d. J Beckman

Secretary for the Meeting