

RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED SPECIAL MEETING OF

TRAILSIDE METROPOLITAN DISTRICT NO. 1
TRAILSIDE METROPOLITAN DISTRICT NO. 2
TRAILSIDE METROPOLITAN DISTRICT NO. 3
TRAILSIDE METROPOLITAN DISTRICT NO. 4
TRAILSIDE METROPOLITAN DISTRICT NO. 5

November 22, 2022

The Coordinated Special Meeting of the Boards of Directors (collectively, “Board”) of Trailside Metropolitan District No. 1, Trailside Metropolitan District No. 2, Trailside Metropolitan District No. 3, Trailside Metropolitan District No. 4, and Trailside Metropolitan District No. 5 (collectively, “Districts”) was held via videoconference, on Tuesday, November 22, 2022, at 4:00 p.m.

ATTENDANCE

Directors in Attendance:

Patrick McMeekin, President & Chairman (District Nos. 1-5)
Landon Hoover, Secretary/Treasurer (District Nos. 1-5)
Mike Welty, Vice Chair & Asst. Secretary/Treasurer (District Nos. 1-5)
Tiffany White, Director (District No. 2)

Directors Absent, but Excused:

Kara Hoover, Vice Chair & Asst. Secretary/Treasurer (District Nos. 1-5)

Also in Attendance:

David O’Leary, Esq.; Spencer Fane, LLP
Andrew Kunkel, Christy McCutchen, Jason Woolard, Doug Campbell, Shannon Randazzo, Nicole Wing, Tracie Kaminski, Dillon Gamber and Adam Brix; Pinnacle Consulting Group, Inc.
Taralee Jackson; Hartford Homes

ADMINISTRATIVE ITEMS

The Coordinated Special Meeting of the Board of Directors of Trailside Metropolitan District Nos. 1, 2, 3, 4, and 5 was called to order by Director McMeekin at 4:00 p.m. He noted that a quorum was present for each of the Boards, with three members were present for District Nos. 1, 3, 4 and 5 and four members of District No. 2 were in attendance. All Board Members also confirmed that prior to the meeting they had been notified of the meeting and all Board Members confirmed their qualification to serve on the Boards.

Declaration of Quorum/Combined Meeting of District Nos.1-5/Director Disclosure of potential conflicts of interest: The Boards of Directors determined to hold combined meetings of the Districts and to prepare joint minutes of action taken by the Districts at such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be action of all the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

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Mr. O’Leary noted that notices of potential conflicts of interest for all Board Members were filed, disclosing potential conflicts as all Board Members that are associated with Trailside Development, LLC, the primary landowner, and developer within the District have disclosed that conflict. Director T. White is a resident of District No. 2. Mr. O’Leary advised the Boards that pursuant to Colorado law, certain disclosures by Board Members might be required prior to taking official action at a meeting. The Boards reviewed the agenda for the meeting, following which each Board Member present confirmed the contents of the written disclosures previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Additionally, the Board Members determined that the participation of the members’ present was necessary to obtain a quorum or otherwise enable the Boards to act.

AGENDA

The Boards reviewed the agenda. Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director Welty and, upon vote unanimously carried, it was

RESOLVED to approve the agenda, as presented.

APPROVAL OF MINUTES

The minutes of the September 7, 2022, Special Board Meeting were presented and reviewed. Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director Welty and, upon vote unanimously carried, it was

RESOLVED to approve the minutes of the September 7, 2022, Special Board Meeting, as presented.

PUBLIC COMMENTS

The Board opened the meeting to public comment. There were no comments made by members of the public and this portion of the meeting was closed.

FINANCIAL ITEMS

Payment of Claims: Ms. Kaminski presented the Payment of Claims for period ending November 16, 2022, in the amount of \$282,998.82 to the Boards and answered questions. Following review and discussion, upon motion duly made by Director Welty, seconded by Director L. Hoover and, upon vote unanimously carried, it was

RESOLVED to ratify the Payment of Claims for period ending November 16, 2022, totaling \$282,998.82.

Financial Statements: Ms. Kaminski reviewed with the Boards the unaudited Financial Statements for the period ending September 30, 2022 and answered questions. Following review and discussion, upon motion duly made by Director Welty, seconded by Director L. Hoover and, upon vote unanimously carried, it was

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RESOLVED to approve the September 30, 2022, Financial Statements, as presented.

2022 AMENDED BUDGET HEARING

Director McMeekin opened the 2022 Amended Budget Hearing for District No. 1. It was noted that notice of the hearing had been published in accordance with state budget law. There being no public input, Director McMeekin closed the hearing. The Boards reviewed the Amended 2022 Budget, which detailed estimated revenues and expenditures.

Adopted General Fund: \$516,120

Amended General Fund: \$600,279

After review and discussion, upon motion duly made by Director L. Hoover, seconded by Director White and, upon vote unanimously carried, it was

RESOLVED to approve the Resolution to Amend the 2022 Budget for District No. 1.

2023 BUDGET HEARING

Director McMeekin opened the 2023 Budget Hearing to the public. It was reported that notice of the budget hearings had been published in accordance with state budget law on November 8, 2022. There being no public input, the public hearing was closed. The Board reviewed the 2023 budget, which detailed estimated revenues and expenditures with the following mill levies.

District No. 1

Mill Levy is 0.000 mills

General Fund: \$705,978

Capital Projects Fund: \$6,650,000

District No. 2

Mill Levy is 51.609 mills

General Fund: \$192,020

District No. 3

Mill Levy is 51.586 mills

General Fund: \$189,979

District No. 4

Mill Levy is 51.271 mills

General Fund: \$6,464

Debt Service Fund: \$ 600,074

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District No. 5

Mill Levy is 18.000 mills

General Fund: \$536

Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director White and, upon vote unanimously carried, it was

RESOLVED to approve the Resolutions to Adopt the 2023 Budgets for Trailside Metropolitan District Nos. 1 - 5, Certify the Mill Levies, Appropriate Budgeted Funds and approve all other documents related to the adoption of the 2023 budgets. The District's Manager and Finance and Accounting Manager are authorized to make minor modifications necessary subject to receipt of the final certification of assessed valuation from Larimer County and file the budgets for the Districts with the necessary state agencies.

FINANCIAL ITEMS CONT.

2021 Audit for District No. 4: Ms. Kaminski reviewed the 2021 Audit for District No. 4 with the Boards and answered questions. Ms. Kaminski reported that the District received a clean, unmodified opinion with no major adjustments. Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director White and, upon vote unanimously carried, it was

RESOLVED to ratify the 2021 Audit for District No. 4, as presented.

2021 Audit Exemptions for District Nos. 1, 2, 3, and 5: Ms. Kaminski requested ratification of the 2021 Applications for Exemption from Financial Audit for District Nos. 1, 2, 3, and 5 from the Boards and answered questions. Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director White and, upon vote unanimously carried, it was

RESOLVED to ratify the 2021 Audit Exemptions for District Nos. 1, 2, 3, and 5.

Engagement of Haynie & Co for the 2022 Audit: Ms. Kaminski discussed the services provided by Haynie & Company with the Boards and recommended utilizing this firm to perform the 2022 Audits for District Nos. 1 & 4. Following review and discussion, upon motion duly made by Director White, seconded by Director L. Hoover and, upon vote unanimously carried, it was

RESOLVED to engage Haynie & Company to perform the 2022 Audits for District Nos. 1 & 4.

Amended Fee Schedule & Fee Resolution: Ms. McCutchen presented the Amended Fee Schedule & Fee Resolution to the Boards and answered questions. Following review and discussion, upon motion duly made by Director L. Hoover, seconded by

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Director White and, upon vote unanimously carried, it was

RESOLVED to approve the Amended Fee Schedule & Fee Resolution, as presented.

LEGAL ITEMS

2023 Annual Administrative Resolution: Mr. O’Leary presented the 2023 Annual Administrative Resolution to the Boards and answered questions. Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director Welty and, upon vote unanimously carried, it was

RESOLVED to approve the 2023 Annual Administrative Resolution, as presented.

2023 Exclusion From Workers Compensation Resolution: Mr. O’Leary presented the 2023 Exclusion From Workers Compensation Resolution to the Boards and answered questions. Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director Welty and, upon vote unanimously carried, it was

RESOLVED to approve the 2023 Exclusion From Workers Compensation Resolution, as presented.

2023 Election Resolution: Mr. O’Leary presented the 2023 Election Resolution to the Boards and answered questions. Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director Welty and, upon vote unanimously carried, it was

RESOLVED to approve the 2023 Election Resolution, as presented.

2023 Transparency Notices: Mr. O’Leary presented the 2023 Transparency Notices to the Boards and answered questions. Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director Welty and, upon vote unanimously carried, it was

RESOLVED to approve the 2023 Transparency Notices, as presented.

District Social Media Policy: Mr. O’Leary presented the District Social Media Policy to the Boards and answered questions. Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director White and, upon vote unanimously carried, it was

RESOLVED to approve the District Social Media Policy, as presented.

Amended District Residential Design Guidelines: Mr. O’Leary presented the Amended District Residential Design Guidelines to the Boards and answered questions. Following review and discussion, upon motion duly made by Director L.

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Hoover, seconded by Director White and, upon vote unanimously carried, it was

RESOLVED to approve the Amended District Residential Design Guidelines, as presented.

Discussion regarding any Updates Necessary to the Developer Funding Agreements and related Promissory Notes: Mr. O’Leary discussed the updates necessary to the Developer Funding Agreements and related Promissory Notes with the Boards and answered questions. Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director Welty and, upon vote unanimously carried, it was

RESOLVED to approve Updates Necessary to the Developer Funding Agreements and related Promissory Notes.

Discuss Fee In Lieu Agreement with Town of Timnath regarding Timnath Police Station: Mr. O’Leary discussed the Fee In Lieu Agreement with Town of Timnath regarding Timnath Police Station with the Boards and answered questions. Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director Welty and, upon vote unanimously carried, it was

RESOLVED to authorize Mr. O’Leary and Director McMeekin to continue negotiations regarding the Fee In Lieu Agreement with Town of Timnath regarding Timnath Police Station.

DISTRICT MANAGER ITEMS

Manager’s Report: Mr. Kunkel reviewed the Management Report with the Boards and answered questions. Mr. Brix noted that the twelve pet waste stations are being serviced weekly. Director White inquired about increasing covenant enforcement visits to the District starting in the Spring. Mr. Woolard stated Pinnacle Consulting Group, Inc. will provide the Board with an updated budget proposal, which would include increased costs for increased hours of covenant enforcement.

Contract Modifications: Mr. Brix requested ratification of the Contract Modifications. Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director White and, upon vote unanimously carried, it was

RESOLVED to ratify the Contract Modifications Report.

2023 Master Service Agreements with Operations and Maintenance Service Contractors: Mr. Brix presented the 2023 Master Service Agreements with Operations and Maintenance Service Contractors to the Boards and answered questions.

- i. A&B Pools
- ii. Affordable Pest Control

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- iii. Fiske Electric
- iv. Mill Brothers Landscape & Nursery
 - v. Pryor Plumbing and Heating
- vi. Star Playgrounds
- vii. SWPPP Colorado

Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director White and, upon vote unanimously carried, it was

RESOLVED to approve the 2023 Master Service Agreements with Operations and Maintenance Service Contractors, as presented.

Authorization to Execute 2023 Work Orders with Approved Operations and Maintenance Service Contractors within the Approved 2023 Budget: Mr. Brix requested approval for the district’s management team to Execute 2023 Work Orders with Approved Operations and Maintenance Service Contractors within the Approved 2023 Budget. Following review and discussion, upon motion duly made by Director L. Hoover, seconded by Director White and, upon vote unanimously carried, it was

RESOLVED to authorize the District’s Management team to Execute 2023 Work Orders with Approved Operations and Maintenance Service Contractors within the Approved 2023 Budget.

Discuss Annual Engagement of District Consultants: Mr. Kunkel discussed with the Boards the engagement of District Consultants. Following review and discussion, upon motion duly made by Director White, seconded by Director L. Hoover and, upon vote unanimously carried, it was

RESOLVED to engage the following District Consultants.

Pinnacle Consulting Group, Inc., District Management
Spencer Fane, Legal Counsel
Galloway, Engineer

BOARD MEMBER ITEMS

There were no Board Member Items brought before the Boards.

OTHER ITEMS

Director McMeekin noted that the District is close to build out.

EXECUTIVE SESSION

No Executive Session was held.

ADJOURNMENT

Upon motion duly made by Director McMeekin, seconded by Director L. Hoover and, upon vote unanimously carried, the meeting was adjourned at 4:57 p.m.

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The foregoing minutes constitute a true and correct copy of the minutes of the above referenced meeting and was approved by the Board of Directors of Trailside Metropolitan District Nos. 1-5.

Respectfully submitted,

Nicole Wing

Nicole Wing, Recording Secretary