

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF SADDLER RIDGE METROPOLITAN DISTRICT

Held: Wednesday, January 19, 2022 at 11:00 a.m. at 9 Timber Ridge Parkway, Severance, CO and via teleconference

Attendance

The meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors were in attendance:

Gene Osborne  
Kenji Matsuda (*via teleconference*)  
Dave Seidl  
Jake Pault (*via teleconference*)

Director Will Edgington was absent. All directors' absences are deemed excused unless a contrary notation is recorded in these minutes.

Also present were: Ashley B. Frisbie, White Bear Ankele Tanaka & Waldron, Attorneys at Law, District Manager; JR Osborne, C3 Construction Management Co., Inc.; Will Jones, adjacent property owner (for a portion of the meeting); and Aric and Kayla Holloway, prospective homebuyers (for a portion of the meeting).

Also present (*via teleconference*) were: Eric Weaver and Krista Koenig, Marchetti & Weaver, LLC, District Accountant; Angela Elliott and Cathy Baldwin, Teleos, LLC, Covenant Enforcement Manager; Beth Kelsey, Liberty Savings Bank ("LSB"); Tiffany Farner-Hirsch, resident; and Kirsten Von Pechmann, realtor for Aric and Kayla Holloway.

Call to Order/Declaration of Quorum

Director Osborne noted that a quorum of the Board was present and the meeting was called to order.

Director Disclosures

Ms. Frisbie advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Frisbie reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Frisbie inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation

of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

### Approval of Agenda

The Board reviewed the proposed agenda for the meeting.

Following review, upon a motion duly made and seconded, the Board unanimously approved the agenda as presented.

### Public Comment

Mr. and Mrs. Holloway introduced themselves to the Board, noting that they are prospective homebuyers and are under contract to purchase one of the carriage lots. They inquired as to if horses are allowed on the carriage lots, noting that their purchase is contingent on the allowance of horses. Director Osborne thanked them for attending the meeting and informed them that he would work with the Board to consider their request and determine if the District is allowed to allow horses, in accordance with zoning requirements with the Town of Severance (the "Town").

Mr. Jones introduced himself to the Board, noting that he is not a resident of the District, rather an adjacent property owner. Mr. Jones informed the Board that the Town has purchased approximately 160 acres of land for the potential development of a gun range. Mr. Jones noted that the development is still in the initial stages, and that, as a nearby property owner, he found it important to share the news to other property owners. Director Osborne thanked Mr. Jones for bringing this information to the attention of the Board. Ms. Frisbie included the District's contact information on the notification sign-up sheet that Mr. Jones circulated, so the District would receive further communications and updates.

### Consent Agenda

The Board was presented with the consent agenda items. Upon a motion duly made and seconded, the Board unanimously took the following actions:

- a. Approved Minutes from November 17, 2021 meeting
- b. Adopted Resolution Designating 24-Hour Posting Location
- c. Ratified Appointment of LAI Design Group of Colorado, LLC as the Architectural Review Committee
- d. Approved Updated Compensation Schedule for Second Addendum to Independent Contractor Agreement with Foothills Landscape Maintenance, LLC for Landscape Maintenance Services
- e. Ratified Independent Contractor Agreement with Independent District Engineering Services, LLC for Cost Certification Services

## Management Matters

### Management Report

Ms. Elliott presented her Management Report to the Board.

### Amendment to Residential Improvement Guidelines and Site Restrictions

Ms. Frisbie and Ms. Elliott presented the Board with the Amendment to Residential Improvement Guidelines and Site Restrictions. The Board discussed the provisions and determined that the amendment should include limits on the size and quantity of commercial vehicles and to allow for outdoor RV parking on larger carriage lots, as discussed below.

Following discussion, the Board determined to defer this matter so that changes discussed can be incorporated into the amendment.

### *Storage of Trash Totes*

The Board discussed the storage of trash totes and determined that the language in the District's Covenants, Residential Rules and Regulations, and Residential Improvement Guidelines and Site Restrictions were agreeable, and no changes would be made. If residents would like to store their trash totes outside, they need to be screened from view.

### *Parking of Recreational Vehicles*

Director Seidl reported that he received varying responses to his request for comments as related to the parking of RVs outside of an enclosed garage. Following discussion, the Board directed staff to revise the Amendment to Residential Improvement Guidelines and Site Restrictions to include language that allows RVs to be parked toward the rear side of homes on the carriage lots, with appropriate screening materials (trees, screening structure, etc.) and approval by the Architectural Review Committee. The Board also indicated that no changes would be made to the parking of RV vehicles on non-carriage lots.

### *Allowance of Animals/Livestock*

Ms. Frisbie reported that the Town's Planning Department had indicated that horses would be allowable on the larger carriage lots; however, the District will need to submit a Livestock Management Plan to the Town for review and approval. Once the Livestock Management Plan has been approved, homeowners will need to go through the Town's permit process, and the Town will refer and defer to the District's Livestock Management Plan for detail on what is allowable. The Board discussed limiting the quantity to 1 horse per acre (for example, 2 horses on 2 acre lots and 3 horses on 3 acre lots).

Directors Seidl and Pault noted that they were agreeable with the District moving forward with the preparation of a Livestock Management Plan; however, they would like to ensure that the process is not too costly for the District.

Following discussion, the Board directed Director Osborne and staff to work with the Town on a Livestock Management Plan that would allow horses as the only livestock allowed on carriage lots, per the discussion.

Ms. Frisbie reported that the Town has a similar permit process in place for the allowance of chickens, whereby the Town will request approval from the District. Following discussion, the Board determined to not allow chickens at this time.

Director Seidl inquired about the allowance of bees. Ms. Frisbie noted that the Town's Municipal Code does not specifically address bees, but that she will investigate and provide the Board with an update.

Subsequent to the meeting, the Town contacted Ms. Frisbie to report that the information previously provided by the Town about the process for implementing a Livestock Management Plan was inaccurate. The Town is now requiring that the carriage lots be rezoned to rural residential and the Livestock Management Plan will be approved as part of the rezoning approval process.

First Addendum to Independent Contractor Agreement with JD Enterprises, Inc. for Snow Removal Services

Ms. Elliott presented the First Addendum to the Independent Contractor Agreement with JD Enterprises, Inc. for snow removal services.

Following discussion, upon a motion duly made and seconded, the Board unanimously approved the addendum, subject to a change in the trigger amount to 3 inches.

Ms. Farner-Hirsch requested that the District have the snow near the mailbox on Roper Trail pushed further off to the side, as it is currently being pushed right in front of the school bus stop. Ms. Elliott noted that she will ask JD Enterprises, Inc. to move the snow pile to an alternate location.

### Financial Matters

Financials/Payables

Mr. Weaver presented the payables, dated January 14, 2022, to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the payables.

Mr. Weaver presented the December 31, 2021 unaudited financial statements to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the unaudited financial statements.

Resolution Regarding Acceptance of District Eligible Costs pursuant to the Funding and Reimbursement Agreement with Liberty Savings Bank, F.S.B. and Acknowledgement of Engineer's Report

Mr. Weaver presented the Board with the Resolution Regarding Acceptance of District Eligible Costs pursuant to the Funding and Reimbursement Agreement with Liberty Savings Bank, F.S.B.

Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution, subject to finalization by legal counsel to remove the lien waiver requirement and receipt of the accountant's certification. The Board also acknowledged the Engineer's Report.

Third Amendment to Funding and Reimbursement Agreement (Wastewater Enterprise) between the District and Liberty Savings Bank, F.S.B.

Mr. Weaver presented the Board with the Third Amendment to Funding and Reimbursement Agreement (Wastewater Enterprise) between the District and Liberty Savings Bank, F.S.B.

Following discussion, upon a motion duly made and seconded, the Board unanimously approved the amendment.

Fourth Amendment to Funding and Reimbursement Agreement (Operations and Maintenance) between the District and Liberty Savings Bank, F.S.B.

Mr. Weaver presented the Board with the Fourth Amendment to Funding and Reimbursement Agreement (Operations and Maintenance) between the District and Liberty Savings Bank, F.S.B.

Following discussion, upon a motion duly made and seconded, the Board unanimously approved the amendment.

Approval to Convert Principal & Accrued Interest Balances Under the Funding And Reimbursement Agreement (Capital Costs) to Series B Bonds

Mr. Weaver discussed the principal and accrued interest balances under the Funding and Reimbursement Agreement (Capital Costs), and the need to convert those balances to the Series B Bonds.

Following discussion, upon a motion duly made and seconded, the Board unanimously approved and authorized staff to convert the principal and accrued interest balances under the Funding and Reimbursement Agreement (Capital Costs) to the Series B Bonds.

Legal Matters

Update on May 3, 2022 Election

Ms. Frisbie provided the Board with an update on the May 3, 2022 Election, noting that all 5 seats are up for election. Director Seidl requested that Ms. Frisbie include language in the posting of the Call for Nominations to the website to clarify that the election is for the District, and that the community does not have an HOA, to help clarify as there have been some inaccurate information circulating among residents.

Pump Station Agreement with North Weld County Water District

Director Seidl reported that the Town sent out an email blast to residents regarding a moratorium on construction until North Weld County Water District ("NWCWD") is able to provide water taps. Director Osborne reported that he and Mr. JR

Osborne will be attending a meeting with NWCWD this afternoon to discuss the Pump Station Agreement and NWCWD water availability issues, as it continues to infringe on the development of tracts within the District.

Long Term Maintenance of Weld County Road 19 (“WCR 19”)

There was no update at this time.

Future Development of Saddler Phase 2b and Saddler Southern

There was no update at this time.

Operations and Maintenance Matters

Update on Repair and Remodel of Pond

Mr. JR Osborne provided an update on the repair and remodel of the pond, noting that it appears that bentonite pond sealer was only used on the banks of the pond, and now needs to be added to the pond floor. The cottonwood trees on the islands will need to be removed, so the roots can be pulled allowing the pond floor to be completely sealed. Mr. JR Osborne reported that the approximate cost to pull the trees/roots and seal the pond floor will be \$185,000. Mr. JR Osborne recommended that a pond aerator/fountain also be installed to promote water circulation. Director Seidl agreed with the recommendation. Following discussion, the Board directed Mr. JR Osborne to proceed with the pond repair project and to obtain a soils test after the bentonite has been installed to ensure the product has formed an impermeable seal.

The Board also discussed the level of water in the pond. It was noted that NWCWD may have overfilled it last year. Director Seidl noted that it is imperative that the pond not be overfilled, and Director Pault agreed, also noting that it is also important that the pond not be under-filled.

Ms. Farner-Hirsch inquired about the District’s responsibility to repair the pond, as related to Section 5.11 (Retention Ponds and Detention Ponds) of the Declaration of Covenants, Conditions and Restrictions for Saddler Ridge (the “Covenants”). Ms. Frisbie clarified that the intent of the terminology in the Covenants is related to flooding and other natural occurrences, and that the District is still responsible for fixing the leak and sealing the bottom of the pond.

Update on Installation of Water Meter Vaults

Mr. JR Osborne noted that there is no update at this time; however, he will request a status update from NWCWD at the meeting this afternoon.

Update on Wastewater Treatment Plant

Mr. JR Osborne reported that a few minor repairs have been made over the last few months, but the plant is generally functioning well.

Update on eOne Pumps

Director Osborne reported that there are plenty of eOne Pumps in inventory, and the builders continue to keep the pump supplier notified when they are being used to ensure inventory remains the same.

Update on Construction Matters

Director Osborne reported that all construction remains on hold until the NWCWD water availability issue is resolved.

Update on Lot Sales

There was no update at this time.

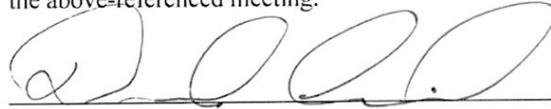
Other Business

Ms. Farner-Hirsch inquired about meeting packet materials being made available to the public prior to meetings. Following discussion, the Board directed Ms. Frisbie to post the meeting packet to the District's website in advance of meetings going forward.

Adjourn

There being no further business to come before the Board, and upon motion duly made, seconded, and unanimously carried, the meeting was adjourned.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.



Secretary

The foregoing minutes were approved on the 16<sup>th</sup> day of March, 2022.