

Foxhill Metropolitan District No. 2
Statement regarding Recall Petition

The Board of the Foxhill Metropolitan District No. 2 acknowledges that a process has been initiated by a recall committee consisting of Martha Mortell, David Stalker, Monika Zajac, and Donna Gruol to hold a recall election for Directors Braden McLoughlin, Devin Capra, and Taryn Weiss. The Board of Directors recognizes that the right to recall Directors is an important right of the eligible electors of the District. Therefore, the District will not interfere with or contest the recall election or the recall election process.

The Board also believes that certain statements in the recall petition contain objectively false statements that should be corrected. Colorado law requires that the recall petition should contain a general statement of the grounds on which the recall is sought and that the statement “must not include any profane or false statement.” C.R.S. § 32-1-909(4)(c).

The Board therefore adopts and approves the following statement in order to correct certain false statements contained in the recall petition.

A copy of the “Interim Management, Operations, and Maintenance Agreement” referenced in the recall petitions is attached to this statement for reference and is fully described as the Interim Letter Agreement Concerning District Management, Operations and Maintenance Obligations, dated November 14, 2023 (“Interim Letter”). This Interim Letter was approved by a unanimous 5-0 vote of the Board of Directors at a public Board meeting held on November 14, 2023 at 5:30 p.m. with the advice of the District’s former counsel. Minutes of this meeting are attached for reference. The recall petition falsely states that the Interim Letter “prohibits current and future Boards from investigating the full scope of the District’s debt obligations and unlawfully restricts the District’s current and future Boards from suing the Developer.” The Interim Letter, by its express terms, is intended to be “only a summary of the salient and intended terms of a new IGA discussed to date” and “Final terms will be dictated by an executed IGA, if any.” The Interim Letter provides that it “does not constitute a legally enforceable agreement” and that the District does not have “any liability to the other party if a definitive agreement is not executed for any reason.” Finally, the Interim Letter Agreement allows for any party to “withdraw from this Letter upon providing the other party thirty (30) days’ written notice.”

The District Board also approved, by a majority 3-1 vote of the Board of Directors, engagement with a new attorney at a public meeting held on May 15, 2024 at 6:30 p.m. Minutes of this meeting are attached for reference. The decision to engage the District’s current attorney was not unilaterally made by Director McLoughlin as falsely stated in the recall petition, but was approved by a majority vote of the Board of Directors at a public meeting.

Adopted and approved at a public meeting held on July 1, 2024 by the Board of the Foxhill Metropolitan District No. 2 by vote: 3 in favor and 2 against.

**INTERIM LETTER AGREEMENT CONCERNING
DISTRICT MANAGEMENT, OPERATIONS AND MAINTENANCE OBLIGATIONS**

THIS INTERIM LETTER AGREEMENT CONCERNING DISTRICT MANAGEMENT, OPERATIONS AND MAINTENANCE OBLIGATIONS (the "Agreement") is made and entered into to be effective this 14th, November, 2023 by and between FOXHILL METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado ("District No. 1"), and FOXHILL METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado ("District No. 2"), together with District No. 1, collectively referred to as the "Parties." This Agreement sets forth the Parties' intent to agree to basic terms and conditions on how the Parties will cooperate together in the interim until full build out of the Foxhill subdivision and how the Parties will collaborate in the interim until the development achieves complete build-out as set out in the Term Sheet, attached hereto as **Exhibit A**.

Purpose. This Letter Agreement does not constitute a legally enforceable agreement except as provided herein. No party shall have any liability to the other party if a definitive agreement is not executed for any reason. Statements made in the Term Sheet regarding what a party will do, or agree to do, or the like are expressed for convenience only. The Letter is understood in all instances (except as provided in the Term Sheet) to be subject to the mutual continued willingness to proceed with any transaction as negotiations occur.

Future Agreements; Entire Agreement. The parties intend to negotiate and enter into an Intergovernmental Agreement ("IGA") to replace certain other agreements between the parties as will be set out in the IGA. This Letter constitutes the entire agreement between the parties and supersedes all prior agreements, negotiations, representations, and understandings of the parties regarding the IGA.

Background for the Districts. The Districts were formed pursuant to Colorado Revised Statutes §32-1-101 *et seq.*, as amended, by order of the District Court for Douglas County, Colorado, and after approval of the eligible electors of the District at a regular election held on May 2, 2006, for the purpose of assisting in the financing and development of the area generally located east and west of Flintwood Road, south of East Bayou Gulch Road and north of East Grant Road (the "Development") in Douglas County, Colorado (the "County"). On December 14, 2005, the County approved the Consolidated Service Plan for Foxhill Metropolitan District No. 1 and Foxhill Metropolitan District No. 2 dated August 29, 2005, revised and resubmitted December 14, 2005 (the "Service Plan") for the purpose of providing certain parameters for the financing, development and administration of certain public facilities, improvements and appurtenances within the area legally permitted to be served by the District (the "**Service Area**").

Terms. This Letter Agreement is only a summary of the salient and intended terms of a new IGA discussed to date. Final terms will be dictated by an executed IGA, if any.

Expenses and Costs. Each party shall bear its own costs and expenses incurred in the negotiation and preparation of this Letter and the IGA. Each party shall also bear its own costs and expenses incurred in its performance and compliance with all agreements, covenants, and

conditions contained herein or its part to be performed or complied with under the IGA, except as shall be otherwise explicitly agreed.

Assignment. The parties may not assign this Letter Agreement without written consent from the other party, and any attempt to assign this Letter without such written consent shall be null and void ab initio.

Authorization. The persons who have executed this Letter Agreement represent and warrant that they are duly authorized to execute it in their representative capacity as indicated.

Effective Date; Term. This Letter Agreement shall be effective as of the date first set forth above and shall terminate upon the completion of the obligations of the Parties set forth herein. The Term of this Letter shall be one year unless extended by the mutual agreement of the Parties. A party may withdraw from this Letter upon providing the other party thirty (30) days' written notice.

Governing Law; Venue. This Letter Agreement shall be governed and construed under the laws of the State of Colorado, and any proceedings shall take place in Douglas County.

Inurement. Each of the terms, covenants, and conditions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Amendment. This Letter Agreement may only be amended upon written agreement signed by the parties.

Severability. If any covenant, term, condition, or provision under this Letter Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

Counterparts. This Letter Agreement may be executed in any number of counterpart copies, each of which shall be deemed an original, but all constitute a single instrument.

[Remainder of Page Intentionally Left Blank. Signature Page(s) Follow.]

IN WITNESS WHEREOF, District No. 1 and District No. 2 have caused this Interim Letter Agreement to be executed and effective as of the date written above.

FOXHILL METROPOLITAN DISTRICT NO. 1



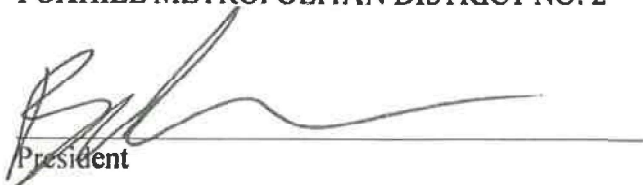
President

ATTEST:



Secretary

FOXHILL METROPOLITAN DISTRICT NO. 2



President

ATTEST:



Secretary

Exhibit A
Term Sheet

1. District No. 1 and District No. 2 will negotiate and agree to what management of the Districts will look like after all lots are sold (or some other post-completion mark as agreed to by the parties).
2. This understanding regarding the management of District No. 1 and District No. 2 will include a discussion of the current and any future role of Centennial Consulting Group (currently manager of District No. 1 and District No. 2).
3. The Parties agree that the Foxhill Design Review Committee will comprise only qualified members and one resident of District No. 1 or District No. 2 currently. In the future the Foxhill Design Review Committee may be amended as agreed upon by the Parties.
4. The Parties agree that neither District No. 1 nor District No. 2 will initiate a lawsuit against the other now or in the future and that the intent and objectives are the Parties are to cooperate and collaborate on the successful development of the community that all Parties have a vested interest in maintaining high standards and good service within the community.
5. The Parties agree that neither will investigate any previously issued debt, and the Parties agree that any currently outstanding debt was lawfully issued and continues to exist lawfully. Bond Counsel and Independent Financial Consultants provided the necessary tax and bond opinions regarding the issuance of the Bonds and the Districts shall continue to file periodic disclosures and required compliance disclosures in accordance with law and as required by the bond documents.

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RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
FOXHILL METROPOLITAN DISTRICT NO. 2
DOUGLAS COUNTY, COLORADO**

HELD: Tuesday, November 14, 2023, at 5:00 p.m. at 6120 Bridle Path Lane Parker, CO 80134 and via Zoom

ATTENDANCE:

A special meeting of the Board of Directors (the “Board”) of Foxhill Metropolitan District No. 2 (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:

Braden McLoughlin, President
Charles Howell, Treasurer
Taryn Weiss, Secretary/Assistant Treasurer
Robert T. Marks, Director
Devin Capra, Director

Absent:
None

Also present:

Stephanie Johnson and Dave Dressler; Centennial Consulting Group, LLC
Sixteen (16) Members of the Public: Three (3) members attending via Zoom, Frances Howell, Dwight Freeman, Bill Mickle, Dave Stalker, Mark Weiss, Ken Monson, Ken McCollor, Dustin Curv, Paige McLoughlin, Natalie Brenhan, Grover & Lesley Wray, and Monika Zajac

CALL TO ORDER:

Director McLoughlin called the meeting to order at 5:01 p.m., explained the purpose of the meeting, and noted that a quorum of the Board was present.

DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST:

Ms. Johnson 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 meeting in which a potential conflict may arise. In addition, each director is to verbally reveal their potential conflicts of interest to the Board at the start of the meeting in which the conflict may

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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 and updated disclosures regarding the board agenda as a transactional disclosure had been filed as well.

APPROVAL OF THE AGENDA:

The Board reviewed the agenda. Upon a motion duly made by Director Mcloughlin, seconded by Director Howell, and unanimously carried, the Board approved the agenda as amended to add presentation and approval of Interim Letter Agreement Concerning District Management, Operations and Maintenance Obligations to the top of the agenda following approval of the October 10, 2023, Meeting minutes.

APPROVAL OF MINUTES:

October 10, 2023, Meeting Minutes

The Board reviewed the minutes of the special meeting held October 10, 2023. Following review, upon a motion duly made by Director Howell, seconded by Director Marks, and unanimously carried, the Board approved the meeting minutes as presented.

OTHER BUSINESS:

Interim Letter Agreement Concerning District Management, Operations and Maintenance Obligations:

Director Mcloughlin presented the Interim Letter Agreement Concerning District Management, Operations and Maintenance Obligations. The Board reviewed the Agreement that was presented to the Board. Following discussion and review, upon a motion duly made by Director Mcloughlin, seconded by Director Howell, and unanimously carried, the Board authorized Director Mcloughlin to work with Mr. Rufin, the District's Legal Counsel, to determine if suggested changes were necessary, and authorized Director Mcloughlin to sign the Interim Letter Agreement Concerning District Management, Operations and Maintenance Obligations upon finalization.

FINANCIAL MATTERS:

Public Hearing and Consider Adoption of the 2023 Budget Amendment, as needed

Mr. Dressler presented the 2023 Amended Budget, Approval of Resolution to Adopt Budgets, and Appropriate Sums of Money. Director Mcloughlin Opened the Public hearing to address public comment from the owners. Following discussion, Director Mcloughlin closed the public hearing.

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Following discussion and consideration, upon motion duly made by Director Howell, seconded by Director McLoughlin, and unanimously carried, the Board approved the 2023 Amended Budget, Resolution to Adopt Budget and Appropriate Sums of Money with the caveat that the \$55,101 would not be paid to D1 without further Board approval authorizing that payment.

Public Hearing for 2024 Budget

Mr. Dressler presented the 2024 Budget. Director McLoughlin Opened the Public hearing to address public comment from the owners. Following discussion, Director McLoughlin closed the public hearing.

Following discussion and consideration, the 2024 Budget would be tabled until the next Board meeting to be held on December 12, 2023, due to needing to see the Foxhill Metropolitan District No. 1 budget before approving the District No. 2 2024 Budget.

Audit Discussion

Mr. Dressler reported the status of the 2021 Foxhill Metro Districts Nos. 1 & 2 Audits. Director Howell reported the state had put a hold on tax disbursements to District No. 2 until all Audits for 2021 & 2022 had been filed.

DISCUSSION ITEMS:

Water Service and Billing:

The Board reported that there were homeowners that had concerns about their water billing. Following discussion, Management was directed to work out a plan with Ramey Environmental to arrange the opportunity for homeowners to meet with them to get the manual reads for the potable water system to confirm if their meters readings are correct or incorrect.

Christmas Lightning at Community Entrances:

Ms. Johnson reported that the developer was supplying the lights for the 2023 holiday season. The Board reported that approximately ½ of the Christmas lights were not currently working including the lights at the south entrance and expressed that it was appropriate that the developer get those running as promised.

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COMMITTEE MATTERS:

Landscape Committee Volunteers:

Director Marks reported on the current landscape issues and observations from the committee and welcomed their newest member, Bill Mickle II.

Architectural Review Committee Report:

Director Mcloughlin reported on the Architectural Review Committee. A homeowner asked the committee to describe the process for requesting a variance.

Social Committee Report:

Director Weiss reported that pies would be delivered on November 20th – 22nd and that the Christmas kickoff festivities would begin November 25th.

Real Estate Report:

Director Capra reported that there were eight active properties for sale within the District and that two of them are resale homes.

Farm Committee Report:

No report was presented

Budget Committee Report:

Director Howell indicated that there was nothing further to report due to extensive budget discussion throughout the meeting.

Ready, Set, Go Fire Report:

Director Howell indicated homeowners would receive more information from the Franktown Fire Department regarding wildfire prevention.

PUBLIC COMMENT:

There was no further public comment.

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OTHER MATTERS:

This agenda item was moved to the 1st part of the meeting. See Letter of Intent.

ADJOURNMENT:

There being no further business to come before the Board the meeting was adjourned.

The foregoing minutes constitute a true and correct copy of the minutes of the above-referenced meeting and were approved by the Board of Directors of the Foxhill Metropolitan District No. 2.


Taryn Weiss (Feb 16, 2024 15:49 MST)

Taryn Weiss, Secretary/Asst. Treasurer