

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
ELBERT & HIGHWAY 86 COMMERCIAL METROPOLITAN DISTRICT
(THE "DISTRICT")
HELD
NOVEMBER 29, 2021

A special meeting of the Board of Directors of the Elbert & Highway 86 Commercial Metropolitan District (referred to hereafter as the "Board") was convened on Monday, November 29, 2021, at 4:00 p.m. This District Board meeting was held via Zoom. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Karl Nyquist, President
Mark Harding, Assistant Secretary
Todd Lambert, Assistant Secretary
Rick Dinkel, Assistant Secretary

Secretary/Treasurer Pretzler was absent and excused.

Also, In Attendance Were:

Denise Denslow and Thuy Dam; CliftonLarsonAllen LLP
Dianne Miller; Miller & Associates Law Offices, P.C.
Will Parker, Semocor, Inc.

ADMINISTRATIVE MATTERS

Call to order and approval of agenda: The meeting was called to order at 4:00 p.m. Following review, upon a motion duly made by Director Dinkel, seconded by Director Nyquist and, upon vote, unanimously carried, the Board approved the agenda as amended to include a Legal Matters item to consider assignment of the District engineer engagement from Paragon Engineering to Western Heritage.

Disclosures of potential conflicts of interest: The Board had previously filed Disclosure of Potential Conflict of Interest Statements with the Board and with the Secretary of State at least seventy-two (72) hours in advance of the meeting in accordance with statutory requirements.

Quorum, location of meeting, and posting of meeting notice: It was noted that a quorum was present allowing the Board to act on all matters to come before them at this meeting. Director Pretzler was absent and excused. The Board confirmed the location of the meeting and the posting of the meeting notice.

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Public comment: None.

Minutes from the August 24, 2021 and October 4, 2021 special Board meetings: Following review, upon a motion duly made by Director Lambert, seconded by Director Harding and, upon vote, unanimously carried, the Board approved the Minutes from the August 24, 2021 and October 4, 2021 special Board meetings as presented.

FINANCIAL MATTERS

September 30, 2021 Unaudited Financial Statements: Following review, upon a motion duly made by Director Harding, seconded by Director Lambert and, upon vote, unanimously carried, the Board accepted the September 30, 2021 Unaudited Financial Statements as presented.

Claims: Ms. Dam reviewed the Claims with the Board. Discussion ensued regarding engineering expenses and review of utility plan designs. Following review and discussion, upon a motion duly made by Director Dinkel, seconded by Director Harding and, upon vote, unanimously carried, the Board ratified the approval of Claims 4852 through 4878 in the amount of \$205,316.55.

Quarterly Continuing Disclosure Report for the period ending November 4, 2021: Following review, upon a motion duly made by Director Harding, seconded by Director Nyquist and, upon vote, unanimously carried, the Board ratified the approval of the Quarterly Continuing Disclosure Report for the period ending November 4, 2021 as presented.

Public hearing to consider amending 2021 Budget; consider adoption of Resolution 2021-11-01, Amendment to the 2021 Budget: Upon a motion duly made by Director Lambert, seconded by Director Harding and, upon vote, unanimously carried, the Board opened the public hearing at 4:14 p.m. There was no public comment received during or prior to the meeting. Upon a motion duly made by Director Lambert, seconded by Director Harding and, upon vote, unanimously carried, the Board closed the public hearing at 4:15 p.m. Ms. Dam reviewed the proposed 2021 amendment with the Boards. Discussion ensued regarding water tap fee revenues in the Enterprise Fund. Ms. Dam noted that the Resolution was modified to adjust for the water tap fee revenues, and that the change to the General Fund was due to repayment to Rangeview and the Capital Projects Fund due to the Bond issuance in 2021. Following review and discussion, upon a motion duly made by Director Dinkel, seconded by Director Lambert and, upon vote, unanimously carried, the Board adopted Resolution 2021-11-01, Amendment to the 2021 Budget to increase the General Fund from \$60,000 to \$200,000, the Debt Service Fund from \$2,011,500 to \$29,300,000 and the Capital Projects Fund from \$0 to \$8,500,000.

Public hearing to consider adopting 2022 Budget; consider adoption of Resolution 2021-11-02, Adopting the 2022 Budget: Upon a motion duly

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made by Director Harding, seconded by Director Lambert and, upon vote, unanimously carried, the Board opened the public hearing at 4:46 p.m. There was no public comment received during or prior to the meeting. Upon a motion duly made by Director Harding, seconded by Director Lambert and, upon vote, unanimously carried, the Board closed the public hearing at 4:47 p.m. Ms. Dam reviewed the proposed 2022 Budget with the Board. Following review, upon a motion duly made by Director Lambert, seconded by Director Dinkel and, upon vote, unanimously carried, the Board adopted the 2022 Budget and adopted Resolution 2021-11-02 to Adopt the 2022 Budget as presented.

2021 Audit Engagement Letter with Schilling & Company, Inc.: Ms. Dam reviewed the Audit Engagement Letter with the Board, noting that the fees are the same as the previous year. Following review, upon a motion duly made by Director Lambert, seconded by Director Dinkel and, upon vote, unanimously carried, the Board approved the 2021 Audit Engagement Letter with Schilling & Company, Inc. as presented.

Other: None.

LEGAL MATTERS

Resolution 2021-11-03 Annual Administrative Matters for 2022: Attorney Miller reviewed the Resolution with the Board. Discussion ensued regarding the regular meeting date and time. The Board determined that the date of the meetings would remain the same as in 2021, but the time will change to 1:00 p.m. Following review and discussion, upon a motion duly made by Director Lambert, seconded by Director Harding and, upon vote, unanimously carried, the Board adopted Resolution 2021-11-03 Annual Administrative Matters for 2022 as amended.

Resolution 2021-11-04 Calling a Regular Election for Directors on May 3, 2022, appointing the DEO and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election: Attorney Miller reviewed the Resolution with the Board. Following review, upon a motion duly made by Director Lambert, seconded by Director Nyquist and, upon vote, unanimously carried, the Board adopted Resolution 2021-11-04 Calling a Regular Election for Directors on May 3, 2022, appointing the DEO and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election as presented.

Compliance Resolution 2021-11-05: Attorney Miller reviewed the Resolution with the Board. Following review, upon a motion duly made by Director Harding, seconded by Director Lambert and, upon vote, unanimously carried, the Board adopted the Compliance Resolution 2021-11-05 as presented.

Legislation: Attorney Miller provided an update to the Board regarding recent legislation. No action was necessary.

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Assignment of District engineering engagement from Paragon Engineering to Western Heritage: It was noted that the parent company, Western Heritage, is closing their Paragon Engineering offices and that this assignment will allow Western Heritage to complete the engineering work currently underway in the District. Following discussion, upon a motion duly made by Director Harding, seconded by Director Nyquist and, upon vote, unanimously carried, the Board approved the assignment of District engineering engagement from Paragon Engineering to Western Heritage and directed General Counsel to draft the document for execution.

MANAGER
MATTERS

CliftonLarsonAllen LLP Master Service Agreement and related statements of work: This item was deferred.

2022 insurance renewal. Consider approval of documents needed to obtain or maintain insurance coverage through the Colorado Special Districts Property and Liability Pool or TCW Risk Management and authorize membership in the Special District Association: Following discussion, upon a motion duly made by Director Harding, seconded by Director Lambert and, upon vote, unanimously carried, the Board approved the 2022 insurance renewal and approved the documents needed to maintain insurance coverage through the Colorado Special Districts Property and Liability Pool, including a resolution to waive worker's compensation coverage which will be drafted by General Counsel, and authorized membership in the Special District Association.

July Board Meeting to approve 2021 Audit: Ms. Dam informed the Board that the draft Audit will be available for review at the March 2022 meeting, so a July Board meeting is not needed at this time.

Other: None.


OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board at this time, the Board adjourned the meeting at 5:04 p.m.

Respectfully submitted,

DocuSigned by:

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Secretary for the Meeting