

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE FALCON HIGHLANDS METROPOLITAN DISTRICT

HELD: Monday, September 13, 2021, at 5:30 p.m. at 7464 Antelope Meadows Circle, Peyton, Colorado. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the public was asked to attend via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Tim Dickey*, Secretary
Kevin Haas, Treasurer

Absence Excused:

Tonia Joyner, President

Also, In Attendance Were:

Barbara Vander Wall*; Seter & Vander Wall, P.C.
Nicole Finco*; Spence Fane
Krista Baptist, Josh Miller, Seef Le Roux*, and Carrie Bartow*;
CliftonLarsonAllen, LLP
Ryan Mangino*; JDS-Hydro Consultants, Inc.

[*Participating virtually via telephone or computer via Microsoft Teams.]

ADMINISTRATIVE MATTERS

Call to Order and Approve Agenda: It was noted that a quorum of the Board was present. The special meeting of the Board of Directors of the Falcon Highlands Metropolitan District was called to order at 5:34 p.m.

The Board reviewed the agenda for the meeting. Following discussion, and upon motion duly made by Director Haas, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved the agenda, as presented.

Declaration of Quorum / Director Qualifications / Disclosure Items: The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested 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. It was noted by Attorney Vander Wall that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, and no additional conflicts were disclosed at the meeting.

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Community Comment: None.

CONSENT AGENDA

Review and Consider Approval of Minutes from the July, 2021 Regular Board Meeting

Review and Consider Acceptance of Unaudited Financial Statements as of July 31, 2021

Review and Consider Ratification of Previous Claims and Approval of Current Claims

Following discussion, and upon motion duly made by Director Haas, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved the consent agenda items as presented.

FINANCIAL MATTERS

Other: Ms. Bartow provided a status update on the audit to the Board.

LEGAL MATTERS

Legal Report: Ms. Vander Wall provided a general update to the Board regarding the status of outstanding items being monitored.

Public Hearing for Exclusion of Property from Falcon Highlands Metropolitan District, submitted by BLH No. 1, LLC and BLH No. 3, LLC: Following review, upon motion duly made by Director Haas, seconded by Director Dickey and, upon vote, unanimously carried, the Board opened the public hearing at 5:54 p.m. No public comment was made. The hearing was closed at 5:55 p.m.

Resolution for the Exclusion of Property owned by BLH No. 1, LLC and BLH No. 3, LLC: Following discussion, upon motion duly made by Director Dickey, seconded by Director Haas and, upon vote, unanimously carried, the Board adopted the Resolution for the Exclusion of Property owned by BLH No. 1 and BLH No. 3.

Kings & Associates Inc. Market Study for the 2021 Refunding Bonds and 2021 Enterprise Bonds: Following discussion, upon motion duly made by Director Haas, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved to ratify the proposal from Kings & Associates Inc. to provide the District with a Market Study for the 2021 Refunding Bonds and 2021 Enterprise Bonds.

D.A. Davidson Engagement Letters: Following discussion, upon motion duly made by Director Haas, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved the engagement letters with D.A. Davidson as a placement agent and underwriter for the 2021 Refunding Bonds

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and 2021 Enterprise Bonds.

Sherman and Howard Engagement Letters: Following discussion, upon motion duly made by Director Haas, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved the engagement letters with Sherman and Howard as bond Counsel for the 2021 Refunding Bonds and 2021 Enterprise Bonds.

Settlement Agreement and Related Documents for BLH#1, LLC and BLH#3, LLC v. Falcon Highlands Metropolitan District: Ms. Vander Wall provided an update to the Board.

Settlement of Claims with El Paso County and Cygnet Land, LLC: Ms. Vander Wall provided an update to the Board.

MANAGER MATTERS

Manager's Report: Mr. Miller provided an update to the Board.

Tap Fee's: Mr. Miller provided an update to the Board.

Ross Electric-Enterprise Service Agreement: Following discussion, upon motion duly made by Director Haas, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved the Service Agreement with Ross Electric-Enterprise.

DIRECTOR MATTERS

Other: None.

ENGINEERING MATTERS

Engineering Report: Mr. Miller provided an update to the Board.

EXECUTIVE SESSION

Section 24-6-402(4)(a), (b) and (e), C.R.S. regarding (1) the receipt of legal advice related to litigation in BLH #1, LLC and BLH #3, LLC v. Falcon Highlands Metropolitan District, et al., El Paso County District Court No. 2019 CV 31830 and (2) settlement of claims with El Paso County and Cygnet Land, LLC: No executive session was needed.

OTHER BUSINESS

Confirm Quorum for the Next Regular Meeting: The next Board meeting is scheduled for Monday, November 8, 2021. The management team will reach out to confirm the quorum.

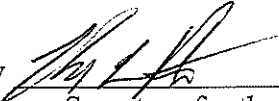
Special Meeting October 25, 2021 The Board discussed the need for a Special Meeting on October 25, 2021. The Board confirmed their availability to attend that meeting at 5:30 p.m.

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ADJOURNMENT

There being no further business to come before the Board at this time, upon a motion duly made by Director Haas, seconded by Director Dickey, and upon vote unanimously carried, the Board adjourned the meeting at 6:35 p.m.

Respectfully submitted,

By  _____
Secretary for the Meeting