

MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
FALCON HIGHLANDS METROPOLITAN DISTRICT  
HELD  
SEPTEMBER 12, 2022

A regular meeting of the Board of Directors of the Falcon Highlands Metropolitan District (referred to hereafter as the "Board") was convened on Monday, September 12, 2022, at 5:30 p.m. The District Board meeting was held via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Tonia Joyner, President  
Kevin Haas, Treasurer

Timothy Dickey, Secretary, was absent and excused.

Also, In Attendance Were:

Josh Miller, Korben Heim, and Carrie Bartow; CliftonLarsonAllen, LLP  
Barbara Vander Wall, Esq.; Seter & Vander Wall, P.C.  
Ryan Mangino; JDS-Hydro Consultants, LLC

ADMINISTRATIVE  
MATTERS

Call to Order and Agenda: Director Joyner called the meeting to order at 5:35 p.m.

The Board reviewed the agenda for the meeting. Director Haas reviewed with the Board the land tract transfer to El Paso County. Mr. Miller will follow up on this item with the Board. Following discussion, and upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board approved the agenda as presented.

Quorum, Director Qualifications, Disclosure Items: Upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board excused the absence of Director Dickey.

It was noted that a quorum of the Board was present. 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 regarding 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.

CONSENT AGENDA

August 8, 2022 Regular Board Meeting Minutes:

August 22, 2022 Special Board Meeting Minutes:

Unaudited Financial Statements as of July 31, 2022:

Ratification of Previous Claims and Approval of Current Claims:

Following review, upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board approved the Consent Agenda as presented.

FINANCIAL MATTERS

Other: Ms. Bartow provided an update to the Board stating that the draft budget is being prepared and will be distributed to the Board by October 15, 2022.

LEGAL MATTERS

District Bonds: Attorney Vander Wall provided an update to the Board regarding the refinancing of the 2004 bonds and restructure of the 2007 bonds, noting that the bond refinance transaction will not be completed by the anticipated September 16, 2022 close date but is now projected to close a week later. Director Haas requested that the Board be advised on updates as they may be available. Attorney Vander Wall also updated the Board on the projected revenue enterprise bond issuance, which will be delayed pending closing on the refinance transaction, progress on the development of the vacant land, and improved market conditions. Some projections suggest it may take place before year-end, or it may be delayed into 2023.

Ms. Vander Wall advised that as a result, the settlement agreement will need to be amended to extend the expiration date beyond September 30, 2022. The Board discussed potential dates for the extension of the settlement agreement and authorized the amendment with an extension as recommended by its consultants.

The Board discussed its water resources and potential outreach for additional opportunities. Mr. Miller proposed that the Board hold an executive session at the next meeting to discuss and get direction on partnerships and coordination.

U-Haul Development and Request for Abandonment of Existing Drainage Easement: Mr. Miller stated that representatives for the U-Haul development have presented a request for the abandonment of an existing drainage easement held by the District. Attorney Vander Wall advised that a vacation of easement over the subject property would abandon the District's easement rights onto the property owner, and she has requested an

engineering analysis to confirm the scope and timing of the request. Following discussion, upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board acknowledged its support and authorized the vacation of easement for the U-Haul development, subject to final review, analysis and recommendation by the District's engineer.

**Rolling Thunder Business Park Detention Pond and Operating Agreement:** Mr. Miller reported that the detention pond issues preventing District acceptance have been addressed and Mr. Mangino has re-inspected. Mr. Mangino noted that all issues in the previous 2020 inspection letter have been addressed.

Attorney Vander Wall noted that acceptance will be conditioned upon execution of a bill of sale for the conveyance of the detention pond improvements by the property owner to the District, a certification of the costs of the detention pond improvements, and a 24-month warranty period prior to final acceptance, pursuant to the District's policies, rules and regulations. Mr. Mangino noted that he will update the engineering letter to recommend initial acceptance subject to the conditions discussed. Upon motion, second and unanimous vote, the Board agreed to the acceptance of the Rolling Thunder Business Park detention pond improvements, subject to satisfactory completion of the conditions as discussed.

**Other:** Director Haas reported there were concerns on mowing along District properties. Mr. Miller will address this in the Manager's Report.

Director Haas also reported concerns on erosion and washouts in the detention pond facility. The District and County are aware of these issues.

**MANAGER  
MATTERS**

**Manager Report:** Mr. Miller and Ms. Bartow reported to the Board that they are heavily involved in the issuance of bonds. There is also a mowing issue that is being addressed with Woodmen Hills.

Mr. Miller also reported on security concerns raised by the recent tractor theft, noting that an insurance claim is being prepared for this event. Mr. Miller provided his thoughts on significant security enhancements for future consideration.

Mr. Miller also discussed signage options and provided an update regarding sound wall repairs. He reviewed with the Board the concerns of weed control in the community.

**Other:** Director Haas reviewed with the Board a problem home that was recently bought by an LLC that is overwatering, that leads to water pooling

in the street and sidewalk. There is also another abandoned home on the same street that has the same issue. Mr. Miller will contact billing and Mr. Gomez to obtain additional information.

ENGINEERING  
MATTERS

Engineer Report: Mr. Mangino provided an update to the Board stating that the LPH2 well is down and a proposal has been received to replace the well pump for an estimated amount of \$100,000.00. He also stated that the District should be ok throughout the fall season, but there may be some concerns if there is a dry summer.

He also advised the Board that Arapahoe 2 well project work is in progress.

The Board discussed well repairs, to include a timeline for the repairs and a replacement.

The Board directed management and engineering to obtain additional proposals for a new water pump.

Other: None.

DIRECTOR  
MATTERS

Other: Director Haas inquired about billing issues and the status of meter replacements, which are being worked on.

The Board requested that management reach out to the landscaper regarding winter maintenance around park plants if a dry winter is an issue.

Director Haas addressed the question of compensation for Directors. Attorney Vander Wall stated that director compensation is limited by state statute, and that state law caps district Board member compensation.

EXECUTIVE  
SESSION

Executive session pursuant to Section 24-6-402(4)(a), (b) and (c), C.R.S. regarding (1) the receipt of legal advice related and matters subject to negotiation in (1) BLH #1, LLC and BLH #3, LLC v. Falcon Highlands Metropolitan District, et al., El Paso County District Court No. 2019 CV 31830 (the "Litigation") and (2) performance under the Settlement Agreement related to the Litigation: Not necessary.

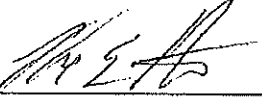
OTHER

Other: None.

ADJOURNMENT

There being no further business to come before the Board at this time, Director Joyner adjourned the meeting at 6:53 p.m.

Respectfully submitted,

By  \_\_\_\_\_  
Secretary