

RECORD OF PROCEEDINGS

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

Monday, September 14, 2020 at 5:30 p.m. at 7464 Antelope Meadows Circle,
Peyton, CO 80831..

HELD

ATTENDANCE

Directors In Attendance Were:

Tonia Joyner, President
Kevin Hass, Treasurer

Absent:

Tim Dickey (absence excused)

Also in attendance were:

Barbara Vander Wall; Seter & Vander Wall, P.C.*
Josh Miller, Chelsea Gondeck*, Seef Le Roux* and Carrie Bartow*;
CliftonLarsonAllen, LLP
John McGinn*; JDS-Hydro Consultants, Inc.
Patty Hunter*, Jean Taynor*, and Olivia Brittman*; Girl Scouts of America

[*Participating via video conference]

CALL TO ORDER/DECLARATION OF QUORUM

Director Joyner noted that a quorum of the Board was present and called the special meeting of the Board of Directors of the Falcon Highlands Metropolitan District to order at 5:33 p.m.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

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 Ms. Vander Wall that disclosures of potential conflicts of interest were previously filed with the Secretary of State for all directors; no additional conflicts were disclosed at the meeting.

APPROVAL OF AGENDA

Agenda:

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

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Community Comment:

None.

CONSENT AGENDA

The below items are part of the consent agenda:

Minutes of the July 13, 2020 Special Meeting
Unaudited Financial Statements and Cash Position
Payment of Claims

Upon motion duly made by Director Haas, seconded by Director Joyner, and unanimous vote the Board approved and accepted the consent agenda items.

MANAGER
MATTERS

Manager's Report:

Mr. Miller reviewed the Manager's Report with the Board. He noted that the annual playground audit was completed in July, with minor issues to be addressed. Two dead trees have been removed and replaced. The District's third notice has been sent to certain addresses for compliance with backflow testing.

Operations Report:

Mr. Miller reviewed the operations report with the Board. Mr. Miller and Mr. McGinn reviewed the sanitary survey with the Board noting that the District did very well and recognizing Mr. Esparza for his hard work. The Board expressed its appreciation to Mr. Esparza for his work and positive results. Mr. Miller reviewed proposed changes to the contract with Cummins, per the contractor's request, which have been made for final approval by the contractor.

Lending Library Project with Girl Scouts of America:

Mr. Miller introduced Ms. Hunter who is attending on behalf of the Girl Scout Troop 40132, with a proposal for the installation of a "little lending library" on District-owned property. Ms. Hunter described the proposed little library construction and location, and requested that the Girls Scouts be permitted to proceed with the installation. Ms. Vander Wall discussed that the property is owned by the District, and that it would be appropriate for the District to enter into a license agreement with the Girl Scouts, to provide the permissions requested subject to certain conditions including procuring insurance, and providing appropriate maintenance and repair to the library. Following discussion, upon motion duly made by Director Joyner, seconded by Director Haas, and upon vote the Board approved a proposed license agreement for the installation and maintenance of the little library as proposed.

Discussion and Possible Action on Vehicles Parked on District Land:

Mr. Miller discussed the vehicles parked on District-owned land with the Board. Following discussion, upon motion duly made by Director Joyner, seconded by

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Director Haas, and unanimous vote, the Board authorized the District manager and legal counsel to proceed with notification and enforcement of the removal of the vehicles.

Other:
None.

FINANCIAL MATTERS

Other:
Ms. Bartow noted that the draft 2021 budget is in process and the District will have a draft prior to October 15th.

LEGAL MATTERS

Legal Report:
Ms. Vander Wall reviewed the legal report with the Board.

Consider Settlement Offer:
This item was deferred until after the executive session.

Other:
None.

ENGINEERING MATTERS

Engineering Report:
Mr. McGinn reviewed and discussed the engineering report with the Board.

Other:
None.

DIRECTOR MATTERS

Other:
None

EXECUTIVE SESSION

Upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the motion to enter into executive session at 6:33 p.m., pursuant to Section 24-6-402(4)(a), (b) and (e), C.R.S. for the purposes 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) the purchase, acquisition, transfer or sale of real property and/or water rights, and the development of negotiating positions.

The Board returned into open session at 6:34 p.m., and noted that no action had been taken in executive session. Upon motion duly made by Director Haas, seconded by Director Joyner, and unanimous vote, the Board authorized the District's consultants to work with the parties to the litigation on a proposed settlement offer as discussed in the executive session. The Board further directed Mr. McGinn to proceed with the water negotiations and sale as

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discussed in executive session.

OTHER BUSINESS

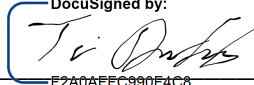
Next Board Meeting:

November 9, 2020 at 5:30 Budget hearing. The Board agreed to meet at the District's water treatment plant for this meeting, noting that the Fire Station will be undergoing construction for the next 1-2 years.

ADJOURNMENT

There being no further business to come before the Board at this time, the meeting was adjourned at 7:24p.m.

Respectfully submitted,

DocuSigned by:

By _____
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Secretary for the Meeting

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Client Name: FHMD	
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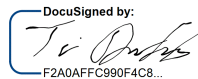
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Tim Dickey
 tdickey3@gmail.com
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Signature



Signature Adoption: Drawn on Device
 Using IP Address: 209.248.117.103
 Signed using mobile

Timestamp

Sent: 11/11/2020 10:08:26 AM
 Viewed: 11/13/2020 10:33:02 AM
 Signed: 11/13/2020 10:33:22 AM

Electronic Record and Signature Disclosure:
 Accepted: 11/13/2020 10:33:02 AM
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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	11/13/2020 10:33:02 AM
Signing Complete	Security Checked	11/13/2020 10:33:22 AM
Completed	Security Checked	11/13/2020 10:33:22 AM

Payment Events	Status	Timestamps
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