

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF

HIGHLANDS METROPOLITAN DISTRICT NO. 3

Held: Monday, July 29, 2019, at 2:00 p.m., at 2154 E. Commons Avenue, Suite 2000, Centennial, Colorado.

Attendance

The meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors were in attendance:

James Spehalski
Barry Talley
Linda Talley

All director absences are deemed excused unless otherwise specified.

Also present were Kristin B. Tompkins Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; and Diane Wheeler, Simmons & Wheeler, P.C., District Accountant.

Call to Order

It was noted that a quorum of the Board was present and the meeting was called to order.

Conflict of Interest Disclosures

Ms. Tompkins advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Tompkins reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Tompkins noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Agenda

Ms. Tompkins presented the proposed agenda to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda.

Approval of Minutes from the October 3, 2018 regular meeting

Ms. Tompkins presented the Board with the Minutes from the October 3, 2018 regular meeting. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the minutes.

Public Comment

None.

Legal Matters

Consider Approval of 2018 Annual Report

Ms. Tompkins presented the Board with the 2018 Annual Report for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the report.

Update on Inclusion of Property (Lot 2) Owned by Vista Highlands, LLC

Ms. Tompkins informed the Board that the City of Broomfield (the "City") is objecting to the inclusion of Lot 2 based on the fact that the ultimate use of the property has not yet been determined. It was noted that the City does not have objection rights under the District's Service Plan; however, the District will not file the inclusion with the Court until the issue with the City has been resolved.

Consider Adoption of Resolution Concerning the Imposition of Capital Facilities Fees

This matter was deferred to the next meeting.

Consider Adoption of Resolution Concerning Online Notice of Regular and Special Meetings

Ms. Tompkins presented the Board with the Resolution Concerning Online Notice of Regular and Special Meetings for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution.

Consider Approval of Independent Contractor Agreement with Miner & Company, LTD. for Field Construction Services

Ms. Tompkins presented the Board with the Independent Contractor Agreement with Miner & Company, LTD. for Field Construction Services for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agreement, subject to finalizing the Scope of Services.

Rescind Approval of Second Amendment to Redevelopment and Reimbursement Agreement with Vista Highlands, LLC and Highlands Metropolitan District No. 1

The Board engaged in a discussion regarding the Second Amendment to Redevelopment and Reimbursement Agreement with Vista Highlands, LLC and Highlands Metropolitan District No. 1. Following discussion, upon a motion duly made and seconded, the Board unanimously determined to rescind the prior approval of the amendment due to the District anticipating entering into an Amended and Restated Agreement.

Discuss status of Amended and Restated Redevelopment and Reimbursement

The Board engaged in a discussion regarding the status of the Amended and Restated Redevelopment and Reimbursement Agreement with Broomfield Urban Renewal Authority ("BURA").

Agreement with Broomfield
Urban Renewal Authority

Ms. Tompkins reported the need for the District to have a stand-alone agreement with BURA. No action was taken by the Board at this time.

Financial Matters

Consider Approval of
Financials/Claims Payable

Ms. Wheeler presented the Board with the June 30, 2019 unaudited financial statements for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the unaudited financial statements.

Ms. Wheeler presented the Board with the Claims Payable. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified check numbers 1030-1034 and approved check numbers 1036-1040, subject to funding.

Consider Ratification of 2018
Audit Exemption Application

Ms. Wheeler presented the Board with the 2018 Audit Exemption Application for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the audit exemption application.

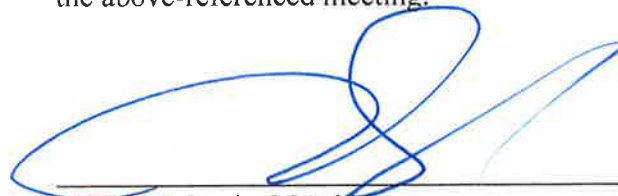
Other Business

None.

Adjournment

There being no further business to come before the Board and following discussion and upon motion duly made, seconded and unanimously carried, the Board determined to adjourn the meeting.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.



Secretary for the Meeting