

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF

HIGHLANDS METROPOLITAN DISTRICT NO. 3

Held: Thursday, August 5, 2021, at 9:00 a.m.

This meeting was held via teleconference.

Attendance

The meeting of the Board of Directors of the Highlands Metropolitan District No. 3 was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the Board, were in attendance:

James Spehalski
Barry Talley

Director Linda Talley was absent. All absences are deemed excused unless otherwise noted in these minutes

Also present: Kristin B. Tompkins, Esq. and Megan J. Murphy, 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. Murphy advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Murphy reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of 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. Murphy 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 participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Administrative Matters

Agenda	Ms. Murphy presented the Board with the agenda for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda as presented.
Public Comment	None.
Consent Agenda	<p>Ms. Murphy reviewed the items on the consent agenda with the Board. Ms. Murphy advised the Board that any item may be moved from the consent agenda to the regular agenda upon the request of any director. No items were requested to be removed from the consent agenda. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved, ratified and/or adopted:</p> <ul style="list-style-type: none">• Minutes from April 14, 2021 Special Meeting• 2020 Annual Report• Independent Contractor Agreement with Independent District Engineering Services, LLC

Legal Matters

Consider Approval of Resolution Designating the Location of Meetings	Ms. Murphy presented the Resolution Designating the Location of Meetings to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the Resolution Designating the Location of Meetings.
Conduct Public Hearing on Inclusion and Consider Adoption of Resolution and Order for Inclusion of Property owned by Vista Highland Development, Lot 10, Highlands Filing 1, Replat F	<p>Director Spehalski opened the public hearing on the Petition for Inclusion of Property (Vista Highland Development, Lot 10, Highlands Filing 1, Replat F). Ms. Murphy noted that notice of the public hearing was published in accordance with Colorado law and no written objections or comments have been received. There being no public comment, the hearing was closed.</p> <p>Ms. Murphy reviewed the Petition and Resolution and Order for Inclusion of Property (Vista Highland Development, Lot 10, Highlands Filing 1, Replat F) with the Board. It was noted that the City and County of Broomfield has consented to the Petition for Inclusion. Following discussion, upon a motion duly made and seconded, the Board unanimously determined to grant the petition and adopt the resolution.</p>
Discuss Exclusion Agreement between Vista Highlands Development	Director Spehalski provided the Board with an update on the Exclusion Agreement between Vista Highlands Development Corporation and FRH Realty LLC, noting that this is still in process. No action was taken by the Board.

Corporation and FRH Realty
LLC

Discuss Status of
Construction of
Improvements under the
Intergovernmental
Agreement for Construction
and Financing of Public
Improvements, dated April
14, 2020, between the
District and Highlands
Metropolitan District No. 2

The Board discussed the status of construction of improvements under the Intergovernmental Agreement for Construction and Financing of Public Improvements, dated April 14, 2020, between the District and Highlands Metropolitan District No. 2. Ms. Tompkins noted that there is money in escrow to be used by the District to fund certain improvements. Director Spehalski inquired about obtaining an extension to install the improvements, and requested that Ms. Tompkins obtain additional information.

The Board engaged in general discussion regarding public improvements on W. 169th Avenue. Ms. Wheeler noted there is approximately \$295,000 in capital costs booked to the District.

Consider Rescinding
Adoption of Resolution
Concerning the Imposition of
Capital Facilities Fees

Ms. Murphy informed the Board that the Resolution Concerning the Imposition of Capital Facilities Fees was adopted by the Board on October 9, 2019; however, the Capital Facilities Fee schedule has not been confirmed and the resolution has not yet been recorded. Following discussion, the Board determined to defer this matter.

Financial Matters

Consider Approval of
Payables/Financials

Ms. Wheeler presented the Board with the June 30, 2021 unaudited financial statements and the claims payables, totaling \$28,578.07. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the unaudited financial statements and ratified the claims payables.

Director Spehalski inquired about future mill levy projections. Ms. Tompkins noted that she will circulate the projections.

Discuss Potential Bond
Issuance

The Board discussed a potential bond issuance. Ms. Tompkins noted that the District cannot move forward with a bond issuance until there is resolution with the proposed Exclusion Agreement between Vista Highlands Development Corporation and FRH Realty LLC.

Director Spehalski provided the Board with an update on the ongoing land development in the District.

Other Financial Matters

None.

Other Business

The next regular meeting is scheduled for October 13, 2021.

Adjournment

There being no further business to come before the Board, and following discussion and upon a 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.

Barry L Talley
Barry L Talley (Oct 18, 2021 09:31 MDT)

Secretary for the Meeting