

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF

HIGHLANDS METROPOLITAN DISTRICT NO. 3

Held: Wednesday, May 31, 2023, at 3:00 p.m.

via teleconference.

Attendance

The special 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: Megan J. Murphy, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; Diane Wheeler, Simmons & Wheeler, P.C., District Accountant; and AJ Beckman, Public Alliance, District Manager.

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. Director Talley and Director Spehalski noted their conflicts with respect to the proposed reimbursement to Vista Highlands Development Corporation. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Agenda Mr. Beckman 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 Mr. Beckman reviewed the items on the consent agenda with the Board. Mr. Beckman advised the Board that any item may be moved from the consent agenda to the regular agenda upon the request of any director. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved and/or ratified:

- Highlands Filing No. 1, Replat F; and
- Minutes from March 29, 2023 Special Meeting.

Legal Matters

Consider Approval of Second Amendment to Property Exclusion Agreement with Vista Highlands Development Corporation and FRH Realty LLC

Ms. Murphy presented the Second Amendment to Property Exclusion Agreement with Vista Highlands Development Corporation and FRH Realty LLC to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the amendment.

Financial Matters

Consider Approval of Claims Payable

Ms. Wheeler presented the claims to the Board in the amount of \$32,648.77. Ms. Wheeler presented the March 31, 2023 Financial Statements to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the claims and financial statements.

Approval of Engagement of Auditor to prepare 2022 Audit

Ms. Wheeler reviewed the Engagement Letter from Hiratsuka & Associates to prepare the 2022 Audit. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the engagement.

Other Financial Matters None.

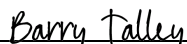
Other Business

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.

DocuSigned by:

 Barry Talley

Secretary for the Meeting