

MINUTES OF A JOINT SPECIAL MEETING OF THE
BOARDS OF DIRECTORS

OF

THE CANYONS METROPOLITAN DISTRICT NOS. 2 & 3

Held: Monday, August 17, 2020 at 11:30 a.m. via teleconference.

Due to Executive Orders issued by Governor Polis and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Health and Environment, and the threat posed by the COVID-19 coronavirus, this meeting was held via teleconference.

Attendance

The joint special meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve, were in attendance.

Jonathan Alpert
Scott Alpert
Darren Everett

Also present were Clint C. Waldron, Esq., and Megan J. Murphy, Esq., White Bear Ankele Tanaka & Waldron, District General Counsel; Shelby Clymer, CliftonLarsonAllen, District Accountant; Brooke Hutchens, D.A. Davidson; and Kaitlin Crandell, Alpert Corporation.

Call to Order

Director Jonathan Alpert called the meeting to order.

Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures

of Mr. Waldron advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Waldron 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 Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Boards. Mr. Waldron inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. Director Everett noted that BMC is negotiating to purchase a parcel in District No. 3. The participation of the

members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

Combined Meetings

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes is the action of each of the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

Approval of Agenda

The Boards reviewed the proposed agenda. Following discussion, upon motion duly made and seconded, the Boards approved the agenda as amended.

Consider Approval of Resolution Declaring Return to Active Status

Mr. Waldron reviewed the Resolution Declaring Return to Active Status with the Board of District No. 3. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously adopted the resolution.

Consider Election of Officers

The Boards engaged in general discussion regarding the election of officers. Following discussion, upon a motion duly made and seconded, the Board of each District unanimously elected Director Jonathan Alpert as President, Director Scott Alpert as Secretary and Director Darren Everett as Treasurer.

Consider Approval of Joint Resolution Establishing Emergency Procedures for Holding Regular and Special Meetings Telephonically

Mr. Waldron reviewed the Joint Resolution Establishing Emergency Procedures for Holding Regular and Special Meetings Telephonically with the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the resolution.

Public Comment

None.

Consent Agenda

The Boards reviewed the items on the consent agenda. Mr. Waldron advised the Boards that any item may be removed 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 adopted:

- November 30, 2015 and December 17, 2015 meeting Minutes (District No. 3)
- November 11, 2019 Minutes (District No. 2)

- 2019 Consolidated Annual Report
- Amended and Restated Public Records Request Policy
- Resolution Establishing an Electronic Signature Policy
- 2020 Annual Administrative Resolution (District No. 3)

Legal Matters

Review Insurance Property and Liability Schedule and Limits (District No. 3)

Mr. Waldron reviewed the property and liability schedule and limits with the Board of District No. 3. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the schedule and directed legal counsel to bind coverage.

Discuss Excess Liability Insurance (District No. 3)

Not Needed.

Consider Approval of Agency Services Agreement with T. Charles Wilson Insurance Services (District No. 3)

Mr. Waldron reviewed the Agency Services Agreement with T. Charles Wilson Insurance Services with the Board of District No. 3. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the Agency Services Agreement with T. Charles Wilson Insurance Services.

Discuss BMO Worker's Compensation Coverage and Consider Authorizing Filing of Exclusion of Uncompensated Public Officials from 2020 Policy Period (District No. 3)

The Board of District No. 3 engaged in general discussion regarding BMO Worker's Compensation. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously Authorized the filing of Exclusion from Worker's Compensation.

Discuss 2020 Legislative Update

Mr. Waldron reviewed the legislative update with the Boards. No action necessary.

Discuss Resolution Concerning Online Notice of Regular and Special Meetings

Mr. Waldron reviewed the Resolution Concerning Online Notice of Regular and Special Meetings with the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the resolution.

Approval of Engagement Letter with White Bear Ankele Tanaka & Waldron for Legal Services (District No. 3)

Mr. Waldron reviewed the Engagement Letter with White Bear Ankele Tanaka & Waldron with the Board of District No. 3. Mr. Waldron noted specifically that the arbitration provision had been revised to make it clear that arbitration applies to this engagement letter as well as any prior engagement with the District. Mr. Waldron also noted and discussed the addition of the representative client list section. Mr. Waldron stated that as he is not independent as to the engagement, the Board is advised to

have separate legal counsel review the engagement letter. The Board of District No. 3 declined to engage separate legal counsel to review the letter. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously approved the engagement letter with White Bear Ankele Tanaka & Waldron for legal services.

Public Hearing on Inclusion of Property (District No. 3)

Director Jonathan Alpert opened the public hearing on the Petition for Inclusion of Property. Mr. Waldron noted that notice of the public hearing was posted and published pursuant to Colorado law and no written objections or comments had been received. After no public comment was made, the hearing was closed. Mr. Waldron reviewed the Petition for Inclusion of Property with the Board of District No. 3.

Following discussion, upon motion duly made and seconded, the Board of District No. 3 unanimously approved the Petition for Inclusion of Property.

Consider Adoption of Resolution and Order for Inclusion of Property (District No. 3)

Mr. Waldron reviewed the Resolution and Order for Inclusion of Property with the Board of District No. 3. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously approved the Resolution and Order for Inclusion of Property.

Public Hearing on Exclusion of Property (District No. 3)

Director Jonathan Alpert opened the public hearing on the Petition for Exclusion of Property. Mr. Waldron noted that notice of the public hearing was posted and published pursuant to Colorado law and no written objections or comments had been received. After no public comment was made, the hearing was closed. Mr. Waldron reviewed the Petition for Exclusion of Property with the Board of District No. 3.

Following discussion, upon motion duly made and seconded, the Board of District No. 3 unanimously approved the Petition for Exclusion of Property.

Consider Adoption of Resolution and Order for Exclusion of Property (District No. 3)

Mr. Waldron reviewed the Resolution and Order for Exclusion of Property with the Board of District No. 3. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously approved the Resolution and Order for Exclusion of Property.

Public Hearing on Exclusion of Property (District No. 2)

Director Jonathan Alpert opened the public hearing on the Petition for Exclusion of Property. Mr. Waldron noted that notice of the public hearing was posted and published pursuant to

Colorado law and no written objections or comments had been received. After no public comment was made, the hearing was closed. Mr. Waldron reviewed the Petition for Exclusion of Property with the Board of District No. 2.

Following discussion, upon motion duly made and seconded, the Board of District No. 2 unanimously approved the Petition for Exclusion of Property.

Consider Adoption of Resolution and Order for Exclusion of Property (District No. 2)

Mr. Waldron reviewed the Resolution and Order for Exclusion of Property with the Board of District No. 2. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously approved the Resolution and Order for Exclusion of Property.

Discuss Status of Amendment to Service Plan (District No. 3)

Mr. Waldron noted that the Service plan currently allows for an aggregate cap of 69 mills and that there is ongoing discussion regarding a reduction in the mill levy within District No. 3.

Discuss Facilities Fees (District No. 3)

The Board of District No. 3 engaged in discussion regarding facilities fees and requested Mr. Waldron provide a draft fee resolution for Board consideration.

Discuss Funding and Reimbursement Agreement(s) (District No. 3)

The Board of District No. 3 engaged in discussion regarding capital and operations reimbursement agreements and requested Mr. Waldron provide drafts for Board consideration.

Discus District Website

Mr. Waldron reviewed the proposal from Heatherly Creative, LLC with the Boards. Following discussion, upon a motion duly made and seconded, the Board s approved a contractor agreement with Heatherly Creative, LLC for the setup and maintenance of their district websites.

Discuss District FAQ's

The Board engaged in general discussion regarding compilation of a FAQ document to provide to property owners.

Other Legal Matters

None.

Financial Matters

Public Hearing on 2020 Budget (District No. 3)

Director Jonathan Alpert opened the public hearing on the proposed 2020 Budget. Mr. Waldron noted that the notice of public hearing was posted in accordance with Colorado law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

Consider Adoption of 2020 Budget Resolution (District No. 3)

Ms. Clymer reviewed the 2020 Budget Resolution with the Board of District No. 3. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously approved the resolution adopting the 2020 Budget and appropriating funds therefore.

Consider Approval of Engagement Letter with CliftonLarsonAllen, LLC for Accounting Services (District No. 3)

Ms. Clymer reviewed the Engagement Letter with CliftonLarsonAllen, LLC for Accounting Services with the Board of District No. 3. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously approved the engagement letter.

Other Financial Matters

None.

Bond Matters (District No. 3)

Review Term Sheet and Financing Plan for Series 2020 Bonds

Ms. Hutchens reviewed the Term Sheet and Financing Plan for Series 2020 Bonds with the Board of District No. 3.

Consider Approval of Engagement of Municipal Advisor

Ms. Hutchens reviewed the proposals for engagement of a Municipal Advisor. Mr. Waldron informed the Board of District No. 3 that he is recommending the engagement of a municipal advisor to provide independent advice to the Board. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously approved the engagement of Lewis Young Robertson and Burningham, Inc.

Consider Approval of Letter Agreement for Investment Banking Services with D.A. Davidson & Co.

Ms. Hutchens reviewed the Letter Agreement for Investment Banking Services with D.A. Davidson & Co. with the Board of District No. 3. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously approved the Letter Agreement for Investment Banking Services with D.A. Davidson & Co.

Consider Engagement of King & Associates for Market Study

Ms. Hutchens reviewed the engagement of King & Associates with the Board of District No. 3. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously approved the engagement of King & Associates for Market Study.

Consider Approval of Engagement of Ballard Spahr as Bond Counsel

Mr. Waldron reviewed the Engagement letter from Ballard Spahr as Bond Counsel with the Board of District No. 3. Following discussion, upon a motion duly made and seconded, the Board of

District No. 3 unanimously approved the engagement.

Consider Approval of Special Disclosure of Costs for Legal Services in Connection with Bonds from White Bear Ankele Tanaka & Waldron

Mr. Waldron reviewed the Special Disclosure of Costs for Legal Services in Connection with Bonds from White Bear Ankele Tanaka & Waldron with the Board of District No. 3. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously approved the Special Disclosure of Costs for Legal Services in Connection with Bonds from White Bear Ankele Tanaka & Waldron.

Other Bond Matters

None.

Directors' Items

None

Other Business

None.

Adjourn

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

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

The foregoing minutes were approved by District No. 2 on this 21st day of September, 2020.

Darren Everett
Darren Everett (Dec 17, 2020 06:23 MST)

District No. 2 Secretary for the Meeting

The foregoing minutes were approved by District No. 3 on this 21st day of September, 2020.

DocuSigned by:
Darren Everett
District No. 3 Secretary for the Meeting