

MINUTES OF THE JOINT REGULAR MEETING OF THE
BOARDS OF DIRECTORS

MORGAN HILL METROPOLITAN DISTRICT NOS. 1, 2
AND 3

Held: October 24, 2019 at 12:00 P.M., at 2500 Arapahoe Avenue,
Suite 220, Boulder, Colorado.

Attendance/Qualification

A joint regular meeting of the Boards of Directors of Morgan Hill Metropolitan District Nos. 1, 2 and 3 was 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 Boards, were in attendance:

Jon R. Lee
Jessica Brothers
Steve Rane

Also present for the District: K. Sean Allen, Esq., White, Bear, Ankele, Tanaka & Waldron, Attorneys at Law.

Combined Meeting

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

Call to Order/Quorum

Director Lee noted that a quorum of the Districts' Boards was present and called the meeting to order.

Disclosure Matters

Mr. Allen advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Allen reported that disclosures for those directors with 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. Allen noted that a quorum was present and 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. No additional disclosures were noted. The Boards determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

Approval of Agenda The Boards reviewed the agenda. Following discussion, upon motion duly made by Director Lee and seconded by Director Rane, the Boards unanimously approved the agenda.

Approval of Minutes
April 25, 2019 The minutes of the April 25, 2019 meeting were submitted to the Boards for approval. Following discussion, upon motion duly made by Director Rane, and seconded by Director Brothers, the Boards unanimously approved the minutes as presented.

Construction Update

Approval/Ratification of
Public Improvement
Construction Contract(s) Director Lee provided a summary to the Boards regarding public improvements construction and land sales. Director Brothers provided a summary of public improvement construction contracts and change orders to the Boards for consideration. Following discussion, upon motion duly made by Director Rane and seconded by Director Lee, the Boards approved the contracts and change orders.

Contract Report—Bids and
Awards, Construction
Budgets None.

Financial Matters

Financial Statements and
Payables Director Rane presented the financial statements date September 30, 2019, current and interim payables for approval. Director Rane noted to the Boards that an oil and gas company is delinquent on its second half property tax payment. Following discussion, upon motion duly made by Director Brothers and seconded by Director Lee, the Boards unanimously approved the financial statements and ratified the payables.

2019 Budget Amendment Director Rane noted to the Boards that 2019 budget amendments were not needed.

2020 Budget Hearing Director Rane opened the public hearing on the proposed 2020 Budget. Mr. Allen noted that the notice of public hearing was provided 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 Mr. Allen reviewed the 2020 Budget Resolution with the Boards. Following discussion, upon a motion duly made by Director Lee

and seconded by Director Rane, the Boards unanimously adopted the resolutions adopting their 2020 Budget, appropriating funds therefor and certifying 55.663 mills for each general fund for District Nos. 1-3.

Discuss Capital Funding and Reimbursement Agreements

Mr. Allen reminded the Boards that each District has an agreement with the Developer whereby the Developer advances funds and the Districts construct public improvements.

District Construction of Public Improvements

Director Rane noted that collectively about \$20,000,000 in public improvement costs is being constructed by the Districts.

Developer Construction of Public Improvements with Application for Reimbursement of Certified Costs

Mr. Allen noted that if the Developer directly constructs any public improvements on behalf of the Districts and subject to reimbursement, then the Districts and the Developer will need to enter into different advance, acquisition and reimbursement agreements whereby the Developer must have the construction costs certified and apply for reimbursement. Director Rane indicated that approximately \$5-\$6 million in improvement costs are expected to be built by the Developer, and therefore the agreement will be needed at some point.

General Matters

Consider Adoption of Resolution Calling May 2020 Election

Mr. Allen presented the Resolution Calling May 2020 Election. Following discussion, upon motion duly made by Director Rane and seconded by Director Brothers, the Boards adopted the resolution.

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

Mr. Allen presented the Resolution Concerning Online Notice of Regular and Special Meetings. Following discussion, upon motion duly made and seconded, the Boards determined to continue with the physical posting.

Discuss and Consider District Coordinating Services Agreement

The Boards engaged in a general discussion regarding the District Coordinating Services Agreement and Mr. Allen was directed to prepare the IGA for consideration at the April 2020.

Board Authorization to Grant Easements on District Owned Property (United Power Installation of Electrical Lines)

The Boards engaged in a general discussion regarding Easements on District Owned Property (United Power Installation of Electrical Lines). Following discussion, the Boards authorized to grant the easements.

Next Regular Meeting

The next regular meeting is April 23, 2020.

Adjournment

There being no further business to come before the Boards, and upon motion duly made, seconded and unanimously carried, the Boards determined to adjourn the meeting. The foregoing minutes were approved by the Boards of Directors on April 23, 2020, and constitute a true and correct copy of the minutes of the above-referenced meeting.

Steve Rane
Steve Rane (Jun 30, 2020 09:10 MDT)

Secretary for the Meeting