

TAILHOLT METRO DISTRICTS

RECORD OF PROCEEDINGS MINUTES OF THE COORDINATED SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF TAILHOLT METROPOLITAN DISTRICT NOS. 1-3

HELD: Tuesday, December 1, 2020 at 6:00 p.m. via Zoom Teleconference call.

ATTENDANCE:

The coordinated special meeting of the Boards of Directors of the Tailholt Metropolitan District Nos. 1-3 (collectively, the “Board”) was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

Directors Present: Stan Everitt, Dino DiTullio, Michael J. DiTullio, Dan Meyers, Kara DiTullio and Jennifer DiTullio were present, via Zoom Conference call.

Directors Absent and Excused: Kimberly Willson.

Also Present and in Attendance: David S. O’Leary of Spencer, Fane LLP, Guy Johnson, and Jackie Johnson from the District were also present via Zoom teleconference.

CALL TO ORDER:

Director Dino DiTullio called the meeting to order at 6:04 p.m.

QUALIFICATION OF BOARD MEMBERS/OATHS OF OFFICE COMBINES MEETING AND NOTICES:

Mr. O’Leary reported that all of the Board members are registered to vote in Colorado and are residents and/or owners of taxable real or personal property within the Districts. Mr. O’Leary stated that all of the Board members had been administered the Oaths of Office. The Districts are meeting in a combined board meeting. Unless otherwise noted, the matters set forth below shall be deemed to be the actions of the Tailholt Metro District No. 1, with concurrence by the Tailholt Metro District No. 2, & 3. Mr. Johnson stated that the notice of the meeting was properly posted in 3 public places in each District No. 1, 2, & 3 boundaries at least 72 hours prior to this meeting. Notice of meeting and agenda was posted in accordance with law.

DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST:

Mr. O’Leary discussed the state law requirements for disclosure of potential conflicts of interest with the directors, noting that completed disclosure statements must be filed for each of the Directors with the Secretary of State and the Secretary of the District at least 72 hours prior to a meeting in which a potential conflict may arise. In addition, each director is to verbally reveal his potential conflicts of interest to the Board at the start of the meeting in which the conflict may arise.

CONSIDER APPOINTMENT TO VACANCIES ON BOARDS DISTRICT NOS. 1, 2 & 3:

Mr. O’Leary stated a vacancy on each of the board of directors will exist as resignations from the Everitt’s have been received. Notice of the pending vacancies were published in a newspaper of general circulation in the area at least ten days prior to the meeting in accordance with statutes. Mr. Mullenbach has submitted a request and interest in serving on the boards as he is working with one of the primary builders in the Districts. The Boards noted that no other candidates have stepped forward to fill the Everitt’s vacancies. After discussion, upon motion duly made by Director Mike DiTullio, seconded by Director Dino DiTullio and unanimously carried, Ron

Mullenbach was appointed to the Boards of the District Nos. 1-3. The Board directed the District consultants to coordinate oaths of office and filings with the necessary Court and state agencies as required.

CONSIDER APPROVAL OF AGENDA:

The Board reviewed the agenda, and upon motion duly made by Director Dino DiTullio and seconded by Director Dan Meyers and Director Stan Everitt, and unanimously carried, it was resolved to approve the agenda as presented and discussed.

CONSIDER APPROVAL OF APRIL 22, 2020 MEETING MINUTES:

The Board reviewed the Meeting Minutes of the April 22, 2020 meeting. Upon motion duly made by Director Mike DiTullio and seconded by Director Dino DiTullio and Director Dan Meyers, and unanimously carried, it was resolved to approve the agenda.

CONSIDER AND CONFIRM APPOINTMENT OF BOARD MEMBERS DISTRICT #3:

Mr. O'Leary stated that at the May election had the same number of candidates as positions open for the election, therefore, the election was cancelled and the board members Dan Meyers & Kim Wilson were appointed to the board of District No. 3. Both Directors have taken their Oaths of Office and the current Board welcomed them to the team and looks forward to working with the new board members. Upon motion duly made by Director Mike DiTullio, seconded by Director Dino DiTullio and unanimously carried, the Boards confirmed the appointment of Directors Meyers and Wilson to the Board.

PUBLIC COMMENTS:

Director Dino DiTullio introduced the attending Board of Directors and opened the meeting to Public Comment, Mr. Johnson stated he had received a few calls from the residents requesting that trees be placed on the banks of the lake, Mr. Johnson stated that the lake was not finished, and work was still scheduled and being done on the lake, therefore, placing trees would be premature. Also in this area is the petroleum easement, where no trees or shrubs can be planted. Mr. Johnson also stated he had received calls asking to cut the one tree down that is on the lake. Director Dan Meyers stated he would like to see more trees also around the lake to attract more wildlife and to allow cattails to grow. Mr. Johnson stated that he would work with Director Dan Meyers when the time came to decide what if any trees or plants should be placed around the lake, cattails should be limited or eliminated as cattails will clog in-take on pump house. Also, when putting in chlorine or other chemicals, this may kill any planted aquatic life, around the pump house. The Board asked if there were further comments, upon hearing none, Board closed the public comment section of the meeting.

CONSIDER APPROVAL & RATIFICATION OF RESOLUTION OF DISTRICT FEES/O & M FEES/ NON-POTABLE WATER FEES IN THE TOWNHOME & CONDO AREA:

Mr. Johnson presented the Resolution for the District fees which includes the O & M fees, Non-potable water fee in the townhome and condo areas, Director Stan Everitt stated that he felt this item was a bit premature and asked that the board table this item until the next meeting.

CONSIDER DESIGNATION OF OFFICIAL POSTING LOCATIONS:

Mr. Johnson presented the annual posting locations and discussed sites and locations with the Board and stated that he would like to meet at The Town of Severance Hall as meeting location once the Town Hall is open for meeting. Director Dan Meyers wanted to make it known that he thought that the meeting Notice with the dates and times should be sent out either by door hanging, e-mails or mailings through the USPS, he thought the residents should have more time to plan to attend and be aware of the dates. Mr. Johnson stated the meeting dates are on the website, sent via e-mail to those signed up on the District web site. The District also posts meeting signs 7 days prior to the meeting. Director Dino DiTullio stated that the residents should be more proactive if they wish to be involved and that we cannot send out door hanger or mailing due to the cost, the meetings are on the website and the posting are in compliance with statutory requirements regarding public meeting notices. Upon motion duly made by Director Dino DiTullio and seconded by Director Stan Everitt, 3 board members voted to approve and one Director Dan Meyers voted to deny the motion, however, motion passed and it was resolved to approve the annual posting locations of meeting signs within Tailholt Metropolitan Districts No. 1, No. 2 & No. 3 boundaries in compliance with state statutes and as discussed.

CONSIDER APPROVAL OF RESOLUTION OF ONLINE NOTICE:

Mr. Johnson presented the Online Notice of Public Meeting's on the Tailholt Metropolitan Districts web site, and discussed the new statute which requires only the physical posting in one location or a posting on the Tailholt Metropolitan Districts website at least 24 hours prior to a public meeting for all District meetings. Upon motion duly made by Director Dino DiTullio and seconded by Director Mike DiTullio and unanimously carried it was resolved to approve the Online Notice of Public Meeting for Tailholt Metropolitan Districts No. 1, No. 2 & No. 3 boundaries.

RESOLUTION CONCERNING ANNUAL ADMINISTRATIVE MATTERS 2020:

Mr. O'Leary presented a Resolution Concerning Annual Administrative Matters for 2021 for the Districts. Following discussion and upon motion duly made by Director Dino DiTullio, seconded by Director Mike DiTullio and unanimously carried, the Board resolved to approve the Resolution Concerning Annual Administrative Matters for 2021,

CONSIDER TRANSPARENCY NOTICES:

Mr. O'Leary presented the Transparency Notices and discussed that these will need to be posted on the District's website on or before January 15, 2021. These notices will also be provided to the Division of Local Government and appropriate state agencies as required by law. After discussion, upon motion duly made by Director Mike DiTullio and seconded by Director Dino DiTullio and unanimously carried, it was resolved to approve the 2021 Transparency Notices for each of the Districts and to authorize District Management to post the notices and provide them to the Division of Local Government as required by statute in compliance with statutory requirements.

CONSIDER EXCLUSION OF WORKERS COMPENSATION INSURANCE:

Mr. O'Leary noted that it was time to renew the Resolution for the Board to be excluded from Worker's Compensation, if the Board elects to continue not having worker's compensation

coverage for the board members. Upon motion duly made by Director Dino DiTullio and seconded by Director Mike DiTullio and unanimously carried, it was resolved to approve the Resolution to Exclude the Board from Worker's Compensation Insurance and to file the Resolution along with the State of Colorado Worker's Compensation Exclusion form with the appropriate parties.

CONSIDER APPROVAL OF 2021 DISTRICT SERVICE AGREEMENTS:

Mr. Johnson presented and discussed engagement letters and/or proposals for service agreements for District Management, Landscape Maintenance Agreement, Annual Audit and Exemption Agreements, Internet and Phone contracts, pest control in pump house and engagement of District Counsel to the Board of Directors. Mr. Johnson discussed the renewal and/or engagement of service providers for the District and reviewed the proposed costs and expenditures related to these service agreements with the Board. After further discussion on the matters and upon motion duly made by Director Stan Everitt and seconded by Director Dino DiTullio and unanimously carried, it was resolved to approve the District service agreements and make changes if needed for District Management, Landscape/Maintenance, Annual Audit and Exemption Agreement, Internet and Phone, Pest Control contracts and District Counsel. Also authorized Guy Johnson to finalize any negotiations and execution of the service agreements for 2021.

CONSIDER APPROVAL OF AUDIT AND AUDIT EXEMPTION:

Mr. Johnson reviewed with the Board the 2019 audits and/or exemptions and preparation of the 2020 Audits and exemptions. It was noted that if revenues or expenditures for a district are less than \$750,000 in 2020, the district may file application for Exemption from Audit on or before March 31st. Upon motion duly made by Director Dino DiTullio and seconded by Director Stan Everitt and unanimously carried, it was resolved to Ratify the 2019 Audits and authorize Mr. Johnson to prepare for 2020 audits and or fill out application for exemptions from audits as appropriate and to take such further action as necessary to complete and file these documents with the necessary state agencies.

CONSIDER APPROVAL OF DISTRICT PAYABLES:

Mr. Johnson presented the Schedule of Payables for April 2020 through November 2020 with a total of \$241,218.28. After discussion with the Boards, upon motion duly made by Director Dino DiTullio and seconded by Director Mike DiTullio and unanimously carried, it was resolved to approve and ratify payables for April 2020 through November 2020 with a total of \$241,218.28.

2020 AMENDED BUDGET HEARING:

Mr. Johnson stated that an Amendment to the 2020 Budget was not needed, the publication and discussion of this matter, is taken to make sure that the Districts do not need to amend the budget this late in the year.

2021 BUDGET HEARING:

Mr. Johnson indicated that notice of the budget hearing and potential amended budget hearing was published in accordance with state requirements. Director Dino DiTullio made the motion to open the Public Hearing, seconded by Director Stan Everitt. Mr. Johnson presented the proposed 2021 Budget to the Board and answered any questions presented. Director Dan

Meyers wanted to state for the record that Guy Johnson had met with him several times and discuss the budget, Director Dan Meyers felt he had a good grasp of the budget from those discussions. He wanted to let the other board members that he thought Guy was doing a great job. Hearing no further comments, Director Dino DiTullio made a motion to close the Public Hearing, which was seconded by Director Mike DiTullio.

Upon motion duly made by Director Stan Everitt and seconded by Director Dino DiTullio and unanimously carried, the Board resolved as follows: (1) to approve and adopt the 2021 budgets as presented, with Gallagherized mill levies; (2) to authorize the appropriation of funds for the expenditures set out in the budgets; (3) to authorize the President and the Secretary to sign the necessary documentation; and (4) directed the District Manager to file the budgets with the state and Division of Local Government prior to January 31, 2021 in accordance with state law.

CONSIDER APPROVAL OF UPDATE FINE POLICY & FEE SCHEDULE:

Mr. Johnson presented the updated fine schedule and fee schedule, the only change to this policy was the charge of the irrigation tech of \$85.00 per hour to be called out to turn off/on the irrigation for private resident parties in the greenbelts and the increase of the Status Letter fee to \$150.00 per status letter and other fees and fines stayed the same. Upon motion duly made by Director Dino DiTullio, seconded by Director Stan Everitt and unanimously carried, the Board resolved to approve the updated Fine Policy and Fee Schedule Resolution.

CONSIDER APPROVAL OF PROMISSORY NOTES:

Mr. Johnson stated the Promissory notes required renewal yearly and /or when changes occur. Mr. Johnson noted that the only update was the interest at this time, after further discussion on the matters, upon motion duly made by Director Dino DiTullio and seconded by Director Stan Everitt and unanimously carried, the Board resolved to approve the Promissory Note as noted.

LEGAL COUNSEL REPORT:

David O' Leary stated the district needed to update the Covenants and Guidelines to verify that all areas of the district were included on the recorded Covenants. Upon motion duly made by Director Dino DiTullio and seconded by Director Stan Everitt and unanimously carried the Boards resolved to approve the Supplemental Declaration regarding District Covenants to Add Property and additional filings within the development.

CONSIDER INCLUSION OF PROPERTY INTO DISTRICT NO. 1:

Mr. O'Leary noted that notice of the proposed inclusion of property had been published in a newspaper of general circulation in the area, that petitions for inclusion have been received from the property owners and discussed the request of the property owners to include property into District 1 – Tract A, Tailholt 3rd Filing After discussion, upon motion duly made by Director Dino DiTullio and seconded by Director Stan Everitt and unanimously carried, the board resolved to approve the inclusion of real Property into District No. 1 – Tract A, Tailholt 3rd Filing.

CONSIDER EXCLUSION OF PROPERTY FROM DISTRICT NOS. 1 & 2:

Mr. O'Leary noted that notice of the proposed exclusion of property had been published in a newspaper of general circulation in the area, that petitions for exclusion have been received from

the property owners and discussed the petitions for exclusion of the property from Districts No. 1 & 2 related to Parcel 1 and Lot B South of CR 72, and inclusion of the same property into the future inclusion areas of the Districts. After discussion with the Boards, upon motion duly made by Director Dino DiTullio and seconded by Director Stan Everitt and unanimously carried, the Boards of Directors of District Nos. 1 and 2 resolved to approve the exclusion of the property south of CR72 from the Districts and inclusion into the future inclusion area until such time as the type and character of the property (residential, commercial, mixed-use, etc.) could be determined. Parcel 1 and Lot B South of CR72 was excluded from the District and included into the Districts' Future Inclusion Area.

CONSIDER UPDATES TO DISTRICT MAPS AND BOUNDARIES:

Mr. O'Leary also noted and discussed that based upon the inclusion and exclusions discussed and addressed at this meeting, the Districts would need to update the boundary maps reflecting the inclusion and exclusion of the prior resolutions of the Boards of Directors. Upon motion duly made by Director Dino DiTullio and seconded by Director Stan Everitt and unanimously carried the board resolved to approve the updates to boundaries for Districts and authorized the District consultants to take such further action as necessary to update and file the updated maps with the necessary state agencies.

MAY 2020 ELECTION UPDATES:

Mr. O'Leary discussed the updates regarding the May 5, 2020 Regular Election and Election of Officers. No action was needed at this time.

MANAGERS REPORT:

1. General District items:

- a. Working on pump house, have set up for storage.
- b. Will set up service for delivery of chlorine.
- c. Fixing some drain issues east of Second Street & west of Third Street.
- d. Will walk Filing 2, for warranty issues May of 2021.
- e. Filing 1, final is complete.
- f. Replaced dead trees this year, will walk again this spring.
- g. D R Horton is building Filing 4, 316 lots.
- h. Need to approve Covenants and Guidelines for Filing 4.
- i. Driving site for covenants issues.

2. Site Work:

- a. Adding a 4 to 6-inch perforated pipe and gravel between homes on Second and Third. A lot of water runs off lots, causing some drainage and erosion issues.

3. Web Site:

- a. Keeping web site up, placing new documents as needed.
- b. Have set up to pay O and M fee with a link from QB, via e-mail.

OTHER MATTERS:

Director Dan Meyers wanted to bring to the attention of the board a few items that he felt needed to be discussed

1. Development of the area south of Harvest Moon Drive, the construction traffic and the parking on Harvest Moon Drive from that work.
2. Dust Control from that construction
3. Present and future development, forecast sales from that development.
4. In reference to Financials
 - a. Bonds, how are they bought/sold.
 - b. Who holds the bonds?
 - c. Bond rate?
5. The air quality from the oil and gas rigs, will someone from the oil and gas company be handling this issue.
6. Board Meeting, he would like to see more board meeting, and maybe have Q & A Session in the area so that more homeowners can attend and meet board members.
7. Possible Alternate Board Position.
8. Community upgrades
 - a. Benches around neighborhood.
 - b. Lighting.
 - c. Pet waste stations.
 - d. Recreational options.
9. Street debris from the construction in the area.
10. Would like to see a cross walk/signage at 3rd and Buckrake for the children to cross to the pocket park.

Mr. Johnson stated he would meet or e-mail Director Dan Meyers to discuss the construction traffic and parking along Harvest Moon Drive.

Mr. Johnson stated he would talk or e-mail Dan Meyers on dust control and also let the developer know of the concern and consult with the Town of Severance.

Mr. Johnson stated the question on present and future development, forecast sales from that development community, he would ask the developer for any information they could provide.

Mr. Johnson would ask UMB trustee about how the bonds are bought and sold through the bond markets and who holds the bonds.

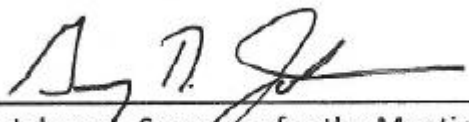
Mr. Johnson had already discussed and met with Dan Meyers on the dog stations that will be put in during 2021. With regard to benches and lighting, Mr. Meyers would need to let the Districts know of suggested locations for benches and lighting and the District would look into it then.

It was noted that several of Director Dam Meyers's concerns were not District issues, but, Director Dino DiTullio and Director Mike DiTullio stated they would happy to meet with him to discuss these issues further.

ADJOURNMENT:

With no other matters to bring before the Boards, upon motion duly made by Dino DiTullio, seconded by Mike DiTullio and unanimously carried, the Board resolved to adjourn the meeting of the Boards of Directors of the Tailholt Metropolitan District Nos. 1-3 at 6:58 p.m.

The foregoing minutes constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Board of Directors of Tailholt Metropolitan District Nos. 1-3.



Guy D. Johnson, Secretary for the Meeting