

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE STC METROPOLITAN DISTRICT NO. 3 HELD NOVEMBER 3, 2021

A Special Meeting of the Board of Directors (referred to hereafter as the "Board") of the STC Metropolitan District No. 3 (referred to hereafter as the "District") was convened on Wednesday, the 3rd day of November, 2021, at 9:00 A.M. This District Board meeting was held by Zoom at: <https://us02web.zoom.us/j/89797364658?pwd=SHJkTkdyUmVxYjBYUDcvcHNmN3I0dz09>; Meeting ID: 897 9736 4658, Passcode: 115782. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

James A. Brzostowicz, President
Angie Hulsebus, Treasurer
Terry Willis, Assistant Secretary

Also In Attendance Were:

Peggy Ripko; Special District Management Services, Inc. ("SDMS")

Jennifer L. Ivey, Esq.; Icenogle Seaver Pogue, P.C.

Diane Wheeler; Simmons & Wheeler, P.C.

Sonia Chin and Jessica Sergi; Ranch Capital, LLC

Sally Vecchio and Anthony Blout; Carmel Partners, Inc.

Andrew Schwartz; Otten Johnson Robinson Neff Ragonetti

Guy 'Anthony' Harrigan; STC Metropolitan District No. 1 Board Member

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board noted it was in receipt of disclosures of potential conflicts of interest statements for Directors Brzostowicz, Hulsebus and Willis, and that the statements had been filed with the Secretary of State at least seventy-two hours in advance of the meeting. Ms. Ripko requested that the Directors review the Agenda for the meeting and advised the Board to disclose any new conflicts of interest which had not been previously disclosed. No further disclosures were made by Directors present at the meeting.

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ADMINISTRATIVE MATTERS

Agenda: Ms. Ripko noted a quorum was present. The Board reviewed the proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board approved the Agenda, as presented.

Confirm Quorum, Location of Meeting and Posting of Meeting Notices: Ms. Ripko confirmed the presence of a quorum and that notice of the time, date and location/manner of the meeting was duly posted and that that no objections to the virtual/telephonic manner of the meeting have been received.

Minutes: The Board reviewed the Minutes of the July 14, 2021 Special Meeting.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board approved the Minutes of the July 14, 2021 Special Meeting.

PUBLIC COMMENTS

There were no public comments.

FINANCIAL MATTERS

Unaudited Financial Statements: Mr. Flynn presented to the Board the unaudited financial statements for the period ending September 30, 2021.

Following review and discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending September 30, 2021.

2021 Audit: The Board reviewed the proposal from Dazzio & Associates, PC to perform the 2021 Audit.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board approved the engagement of Dazzio & Associates, PC perform the 2021 Audit, for an amount not to exceed \$4,000.

Public Hearing on Proposed 2021 Budget Amendment:

2021 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2021 Budget and the date, time and place of the public hearing

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was made in a newspaper having general circulation within the District. No written objections were received prior to or at this public hearing. No public comments were received, and the President closed the public hearing.

Ms. Wheeler presented to the Board the 2021 budget amendment and Ms. Ivey reviewed with the Board the resolution to amend the 2021 budget.

Following review and discussion, Director Hulsebus moved to adopt the Resolution to Amend 2021 Budget, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-01 to Amend the 2021 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Public Hearing on Proposed 2022 Budget:

2022 Budget Hearing: The President opened the public hearing to consider the proposed 2022 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to or at this public hearing. No public comments were received, and the President closed the public hearing.

Ms. Wheeler reviewed the estimated year-end 2021 revenues and expenditures and the proposed 2022 estimated revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2021-11-02 to Adopt the 2022 Budget and Appropriate Sums of Money and Resolution No. 2021-11-03 to Set Mill Levies (for the General Fund at 10.000 mills and the Debt Service Fund at 20.000 mills, for a total of 30.000 mills). Upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2021. Ms. Ripko was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Boulder County and the Division of Local Government not later than December 15, 2021. Ms. Ripko was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2022. Copies of the adopted Resolutions are attached hereto and incorporated herein by this reference.

Estoppel between Ranch Capital and the District: The Board entered into discussion regarding the Estoppel between Ranch Capital and the District.

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Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board approved the Estoppel between Ranch Capital and the District, subject to final legal review.

LEGAL MATTERS

Annual Resolution: The Board reviewed the Annual Resolution.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board adopted the Annual Resolution.

Election of Officers: The Board discussed the Election of Officers.

Following discussion, upon motion duly made Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board determined to keep the current slate of officers.

Regular Meeting Date/Location: The Board entered into discussion regarding the regular meeting dates, times and location for 2022.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board determined to meet on June 1, 2022 and November 2, 2022 at 9:00 A.M. via Zoom.

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2022: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2022.

Following discussion, upon motion duly made Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board determined to post the required transparency notice information on the Special District Association's website and the District website.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

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2023 Budget Preparation: The Board discussed the preparation of the 2023 Budget.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2023 Budget and set the date of the Budget Hearing as November 2, 2022.

Election Resolution: The Board discussed Resolution No. 2021-11-05; Resolution Calling a Regular Election for Directors on May 3, 2022, appointing the Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-05; Resolution Calling a Regular Election for Directors on May 3, 2022, appointed Ms. Ripko the DEO and authorized the DEO to perform all tasks required for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2021 Legislative Report: Attorney Ivey reviewed with the Board the 2021 Legislative Report.

Website Compliance: Attorney Ivey reviewed with the Board the Website Compliance.

COVENANTS

Executive Session: Pursuant to Section 24-6-402(4)(b), C.R.S., upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session for the purpose of receiving legal advice on specific legal questions related to covenant enforcement under Section 24-6-402(4)(b), C.R.S.

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the remaining portion of this executive session that, in the opinion of the District’s general counsel, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

Also pursuant to § 24-6-402(4), C.R.S., the Board did not adopt any proposed policy, position, resolution, rule, regulation or take formal action during execution session.

The Board reconvened in regular session

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Resolution Adopting an Amended Covenant Enforcement Policy: The Board reviewed a Resolution No. 2021-11-06; Resolution Adopting an Amended Covenant Enforcement Policy.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Harrigan and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-06; Resolution Adopting an Amended Covenant Enforcement Policy


OTHER MATTERS

There were no other matters.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By  _____
Secretary for the Meeting