

MINUTES OF THE JOINT SPECIAL MEETING OF THE  
BOARDS OF DIRECTORS

MORGAN HILL METROPOLITAN DISTRICT NOS. 1, 2  
AND 3

Held: October 28, 2021 at 12:00 P.M., via Conference Call.

Attendance/Qualification

A joint special 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 and seconded, the Boards unanimously approved the agenda.

Approval of Minutes The minutes of the April 21, 2021 and October 6, 2021 meeting were submitted to the Boards for approval. Following discussion, upon motion duly made and seconded the Boards unanimously approved the minutes as presented.

### **Construction Update**

Approval/Ratification of Public Improvement Construction Contract(s) and Change Orders The Board for District No. 1 reviewed change orders. Following discussion, upon a motion duly made and seconded, the Board approved the change orders. District No. 3 Board reviewed public improvement construction contracts. Following discussion, upon a motion duly made and seconded, the Board approved the contract.

Contract Bids and Awards, Construction Budgets by District None.

Developer Construction of Public Improvements; Developer Construction Cost Reimbursement Application; IDES Certified Cost Reports It was noted that the first cost report, certification and reimbursement is expected in 2022.

Infrastructure Acquisition and Reimburse Agreement between District No. 3 and CDG Morgan Hill, Inc. The Board discussed the Infrastructure Acquisition and Reimburse Agreement between District No. 3 and CDG Morgan Hill, Inc., under which certain public improvements may be constructed by CDG Morgan Hill, Inc., subject to reimbursement of the certified costs by the District. Following discussion, upon a motion duly made and seconded, the Board approved the agreement.

### **Financial Matters**

Financial Statements and Payables Director Rane presented the financial statements date September 30, 2020, current and interim payables for approval. Following discussion, upon motion duly made and seconded, the Boards unanimously approved the financial statements and ratified the payables.

Public Hearing on 2021 Director Lee opened the public hearing on the 2021 Budget

Budget Amendment	Amendment. 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 Resolution Amending 2021 Budget	The Board reviewed the Resolution Amending the 2021 Budget 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 amending the General Fund to \$29,714,717.
Public Hearing on 2022 Budget	Director Rane opened the public hearing on the proposed 2022 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 Resolution Approving 2022 Budget	The Board reviewed the 2022 Budget Resolution with the Boards. Following 2022 budget discussion, upon a motion duly made and seconded, the Boards unanimously adopted their resolutions adopting the 2022 Budget, appropriating funds therefor and certifying 28.476 mills for District No. 1's general fund and 27.187 mills for District No.1's debt service fund, 55.663 mills for District No. 2's general fund, and 55.663 mills for District No. 3's general fund.
First Amendment to District Coordinating Services Agreement	The First Amendment to District Coordinating Services Agreement was discussed and noted that District No. 1 is to be the owner of public improvements in Filing No. 1 and District No. 3 to be the owner in Filing No. 2. Following discussion, upon a motion duly made and seconded, the Boards approved the First Amendment.

**General Matters**

Discuss HOA and District Operations and Maintenance Agreement for District Financed Recreational Improvements	It was noted that District Nos. 1 and 3 anticipate each will need an Operations and Maintenance Agreement with the Master Owners Association for the public improvements that will be financed and owned by the Districts.
Consider Adoption of Resolution Designating the Location of Regular Meetings of the BOD	The Board reviewed the Resolution Designating the Location of Regular Meetings of the BOD. Following discussion, upon a motion duly made and seconded, the Board adopted the resolution.

Discuss and Consider  
Approval of 2022 Renewal  
of Property and Liability  
Schedule and Limits

The Board reviewed the 2022 Renewal of Property and Liability Schedule and Limits. Following discussion, upon a motion duly made and seconded, the Board approved insurance renewals.

Consider Approval of  
Resolution Calling May 3,  
2022 Director Election

The Board reviewed the Resolution Calling May 3, 2022 Director Election. Following discussion, upon a motion duly made and seconded, the Board adopted the resolution.

Next Regular Meeting

The next regular meeting is April 28, 2022.

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 28, 2022, and constitute a true and correct copy of the minutes of the above-referenced meeting.

*Steve Rana*

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Secretary for the Meeting