

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

COTTONWOOD HIGHLANDS METROPOLITAN DISTRICT NO. 2

Held: December 7, 2020, at 1:30 P.M. held via Zoom Teleconference.

Attendance

A special meeting of the Board of Directors of Cottonwood Highlands Metropolitan District No. 2 was held in accordance with the applicable statutes of the State of Colorado. The following Directors, having confirmed their qualification to serve on the Board, were in attendance:

Scott Carlson  
Clay Carlson  
Kent Carlson

All absences are to be deemed excused unless otherwise noted in these minutes.

Also present for the Districts: K. Sean Allen, White, Bear & Ankele Tanaka & Waldron, P.C., District general counsel by phone and Nancy Bach, CliftonLarsonAllen LLP, District accountant by phone.

Call to Order/Quorum

A quorum of the Board was present and the meeting was called to order.

Disclosure Matters

Mr. Allen advised the Board that, pursuant to Colorado law, certain disclosures of actual or potential conflicts of interest by the directors may be required prior to taking official action at the meeting. Each Director completed his conflict of interest disclosures. The Board determined that participation by the directors with potential conflicts of interest was necessary to obtain a quorum or otherwise enable lawful action to occur.

Approval of Agenda

The Board reviewed and approved the agenda.

Approval of Minutes

Mr. Allen presented the Board with the minutes from the December 5, 2019 meeting for the Board's consideration. Following discussion, upon motion duly made and seconded, the Board unanimously approved the minutes.

**General Matters**

2021 Annual Administrative Resolution Mr. Allen presented the 2021 annual administrative resolution to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board adopted the resolution.

Consider Approval of Property and Liability Insurance Renewal 2021 The Board reviewed the current general liability schedule and limits. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the general liability schedule and authorized legal counsel to bind coverage.

**Financial Matters**

Payables/Financials Mr. Carroll presented the financials and payables to the Board. Following discussion, upon motion duly made and seconded, the Board approved and ratified the financials and payables.

2020 Budget Amendment Hearing Director Scott Carlson opened the public hearing on the 2020 Budget 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.

Adoption of Resolution to Amend 2020 Budget Ms. Bach noted to the Board that a 2020 budget amendment was not needed.

2021 Budget Hearing Director Scott Carlson opened the public hearing on the proposed 2021 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.

Adoption of 2021 Budget Resolution Ms. Bach reviewed the 2021 Budget with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution adopting the 2021 Budget, appropriating funds therefor and certifying 10.000 mills for the general fund, and 10.000 mills for the debt service fund. The Board also approved the general fund contributing to pond maintenance in 2021.

Developer Advances Operations and Capital The Board engaged in a general discussion regarding the Developer Advances Operations and Capital. The Board acknowledged that the developer is making advances or otherwise paying District costs on its behalf and that such advances will be reimbursed and that advance and reimbursement agreements with developer will be entered when necessary or demanded by the developer.

Director Vacancies It was noted that the Board will continue with the two the vacancies as no other eligible electors have shown an interest in serving on the

Board.

**Other Business**

2020 Development Outlook

It was noted that construction of the O'Riley Auto Parts store is expected to start business in 2021.

Adjournment

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

The foregoing minutes were approved by the Board of Directors on December 7, 2021 and constitute a true and correct copy of the minutes of the above-referenced meeting.

*Clay Carlson*

Clay Carlson (Jan 4, 2022 12:49 MST)

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Secretary for the Meeting