



**MINUTES OF THE JOINT SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1, 2 AND 3
HELD NOVEMBER 4, 2021
AT 4:00 PM**

Pursuant to posted notice, the special joint meeting of the Board of Directors of the Saddlehorn Ranch Metropolitan District Nos. 1, 2 and 3 was held on Thursday, November 4, 2021 at 4:00 p.m., via tele/videoconference platform of GoToMeeting link: <https://global.gotomeeting.com/join/547622885>

Attendance

In attendance were Directors:

William Guman, President
Michael Bramlett, Treasurer
Jeffrey Book, Assistant Secretary
Sandra Lehman, Secretary

Also in attendance were:

Kevin Walker, Walker Schooler District Managers
Rebecca Hardekopf, Walker Schooler District Managers
Blair M. Dickhoner, Esq., White Bear Ankele Tanaka & Waldron
Erin Stutz, White Bear Ankele Tanaka & Waldron
Billy Whitehead and Rob Fuller, ROI Property Group
John Helmick and Caitlyn Knudsen, Gorilla Capital

Combined Meeting:

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

1. Call to Order: The meeting was called to order by Mr. Walker at 4:02 PM and it was noted a quorum of the Board was present.
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters: Mr. Dickhoner advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Dickhoner reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of 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. Dickhoner 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 participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

3. Approval of Agenda: Director Bramlett moved to approve the Agenda as presented; seconded by Director Book. Motion passed unanimously.
4. Public Comment: There was no public comment.
5. Approval of February 22, 2021 and September 8, 2021 Special Meeting Minutes: President Guman moved to approve the February 22, 2021 and September 8, 2021 Special Meeting Minutes; seconded by Director Bramlett. Motion passed unanimously.
6. Development Review
 - a. Entitlement status – plat approvals: President Guman reported the review comments for Filing 2 have all been received as of today. There may be one or two additional items that will be posted tomorrow which is the deadline. There are no concerns or red flags in the comments. President Guman discussed one item from the Upper Black Squirrel Creek District regarding water. They are protesting the use of septic instead of a septic system. They are also questioning the water supply from Laramie Fox Hills and the Arapahoe with regard to the quantities that were approved by both the County and CDPHE. The plan to respond to Upper Black Squirrel Creek is to provide them the approval letters of sufficiency and dependability from both the County and CDPHE who they can contact directly if they have any further concerns. President Guman noted the final plats for Filings 3-5 are in progress by JR Engineering. Director Lehman reported that construction has not started yet, and the homes have been on MLS for three weeks. One home is under contract and hoping to get another cash offer under contract on Saturday. She noted there is a lot of interest.
 - b. Construction timing and status: Mr. Whitehead updated the Board on the construction timing and status. The permanent pump installation for the LFH well is underway. There was a snag on the Arapahoe well so it will be tested on a lower threshold. MVA will begin the interior lots soon and transformers and main lines are underway. Mr. Whitehead is preparing to pull the foundation-only permit to submit the building permit for the water facility. There has been a slight delay on the water reclaim tank but should be done by the end of November. Superior Tank is working on the above ground bolted tank and Filtronics has the majority of their materials to send the components for the filtration system. The target date for the water system is still January 2022.
7. District Manager Report
 - a. Discuss Adoption of Rules and Regulations: Mr. Walker discussed the Rules and Regulations and the proposal to adopt the City of Colorado Springs current standards. Director Bramlett commented that he thought they were already adopted but he is in favor of adopting the CSU standards and details.
 1. City of Colorado Springs current standards
 - b. Status of Water system fees; adoption schedule, ORC status: Mr. Walker reported he has been communicating with ORCs on the water system. There are two ORCs who are interested, so Mr. Walker is working on getting a tour and meeting between the engineers and ORCs to get specific proposals from them. Mr. Walker received one proposal for a water system fee study and is waiting for one more. The Board agreed to table the adoption of the Rules and Regulations until the ORC is in place.
8. Financial Matters

- a. Accept Unaudited Financial Reports for October 31, 2021 and Ratify Payables: Mr. Walker requested the Board defer this item until the November 16, 2021 meeting.
- b. Bill.Com update: Mr. Walker reported that Bill.com has been implemented as of today and staff is working on cleaning up final details with approval and signer access.
- c. Bond Issuance: The Board reviewed the following items and agreed to table approvals until Mr. Helmick's has the opportunity to review. After review, Mr. Helmick confirmed he had no objection to Board approval on the following items.
 1. Consider Approval of General Counsel Fee Disclosure Letter: Mr. Dickhoner presented the General Counsel Fee Disclosure Letter. President Guman moved to approve the General Counsel Fee Disclosure Letter; seconded by Director Bramlett. Motion passed unanimously.
 2. Approve Engagement of Sherman & Howard as Bond Counsel (District No. 2): Mr. Dickhoner presented the Engagement of Sherman & Howard as Bond Counsel (District No. 2). President Guman moved to approve the Engagement of Sherman & Howard as Bond Counsel (District No. 2); seconded by Director Bramlett. Motion passed unanimously.
 3. Approve Engagement of MuniCap as Municipal Advisor: Mr. Dickhoner presented the Engagement of MuniCap as Municipal Advisor. President Guman moved to approve the Engagement of MuniCap as Municipal Advisor; seconded by Director Bramlett. Motion passed unanimously.
 4. Consider Proposal from King & Associates for Appreciation Analysis: Mr. Dickhoner presented the proposal from King & Associates for Appreciation Analysis. President Guman moved to approve the Proposal from King & Associates for Appreciation Analysis; seconded by Director Bramlett. Motion passed unanimously.
 5. Consider Proposal from Simmons & Wheeler, PC for Cash Flow Forecast: Mr. Dickhoner presented the proposal from Simmons & Wheeler, PC for Cash Flow Forecast. President Guman moved to approve the Proposal from Simmons & Wheeler, PC for Cash Flow Forecast; seconded by Director Bramlett. Motion passed unanimously.

9. Legal Matters

- a. Acknowledge Rescission of Conditional Will Serve Letter for Meadows Lake Industrial Park, Falcon/Peyton, CO, dated September 28, 2021: Mr. Dickhoner presented the Rescission of Conditional Will Serve Letter for Meadows Lake Industrial Park, Falcon/Peyton, CO, dated September 28, 2021. He reported the letter was submitted to the County.
- b. Discuss Acquisition of Water Rights: Mr. Dickhoner reported he is working with the District's Water Counsel on the process for the District buying the raw water, ground water, and the wells from the developer that will serve the project. One open item is whether the District will acquire all of the water or just what is needed for the current phases of development. By acquiring all of the water, the District could support development in the future.
- c. Ratify Approval of Public Improvement Acquisition and Reimbursement Agreement: Mr. Dickhoner presented the Public Improvement Acquisition and Reimbursement Agreement between the developer, Gorilla Capital and the District. Mr. Dickhoner confirmed that Mr. Helmick has reviewed the document and was satisfied with the draft. Mr. Helmick joined the meeting. Mr. Helmick had no objection to the Board ratifying the approval. President Guman moved to ratify approval of Public Improvement Acquisition and Reimbursement Agreement; seconded by Director Bramlett. Motion passed unanimously.

- d. Discuss Memorandum Regarding Metropolitan District and Homeowners Association Regulations of Free Speech: Mr. Dickhoner presented the Memorandum regarding the Metropolitan District and Homeowners Association Regulations of Free Speech.
- e. Consider Approval of First Amendment to the Declaration of Covenants, Conditions and Restrictions of Saddlehorn Ranch: Mr. Dickhoner presented the First Amendment to the Declaration of Covenants, Conditions and Restrictions of Saddlehorn Ranch. He explained the Amendment establishes Gorilla Capital as the declarant as opposed to ROI. It also adds a provision that says the District has the option to provide broadband service. Mr. Dickhoner noted there may be legal risks with proceeding since there is not a lot of legal authority for the District to provide the broadband service. Mr. Walker and Mr. Dickhoner confirmed the Board is not taking action on the broadband matter at this time. Director Bramlett moved to approve the First Amendment to the Declaration of Covenants, Conditions and Restrictions of Saddlehorn Ranch; seconded by President Guman. Motion passed unanimously.
- f. Conduct Public Hearing to Consider Petition for Inclusion of Property into District No. 3 (2.565 Acre Parcel): Mr. Dickhoner presented the Petition for Inclusion of Property into District No. 3 and engaged in discussion with the Board on the process for the following petitions for inclusions and exclusions of property. Mr. Walker noted this process will be a better way to move forward than having three districts operating the way it was originally set up. After discussion, President Guman opened the Public Hearing. After no public comment, the Public Hearing was closed.
- g. Consider Adoption of Resolution and Order for Inclusion of Property by the Board of Directors of District No. 3: President Guman moved to adopt the Resolution and Order for Inclusion of Property by the Board of Directors of District No. 3; seconded by Director Lehman. Motion passed unanimously.
- h. Conduct Public Hearing to Consider Petition for Inclusion of Property into District No. 2 (507.624 and 3.791 Acre Parcels): President Guman opened the Public Hearing. After no public comment, the Public Hearing was closed.
- i. Consider Adoption of Resolution and Order for Inclusion of Property by the Board of Directors of District No. 2: President Guman moved to adopt the Resolution and Order for Inclusion of Property by the Board of Directors of District No. 2; seconded by Director Lehman. Motion passed unanimously.
- j. Conduct Public Hearing to Consider Petition for Exclusion of Property out of District No. 3 (507.624 and 3.791 Acre Parcels): President Guman opened the Public Hearing. After no public comment, the Public Hearing was closed.
- k. Consider Adoption of Resolution and Order for Exclusion of Property by the Board of Directors of District No. 3: President Guman moved to adopt the Resolution and Order for Exclusion of Property by the Board of Directors of District No. 3; seconded by Director Lehman. Motion passed unanimously.
- l. Discuss Rate Setting Timing and Amounts and Need for Public Notice: Mr. Walker explained there is a 30-day public notice requirement for setting water rates and fees. He noted the Board could do this during the first quarter of 2022. Mr. Walker will develop a proposal for Board review at the January or February meeting.

10. Other Business

- a. Fall meeting schedule
 - Next Meeting is scheduled for November 16, 2021. The Board discussed meeting in December after the bond issuance if needed.
 - Budget Hearing: The public Budget Hearing will be held at the November 16, 2021 Board meeting.

11. Adjourn: President Guman moved to adjourn at 4:48 PM; seconded by Director Bramlett. Motion passed unanimously.

Respectfully Submitted,

Kevin Walker

Secretary for the Meeting