

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE LOST CREEK FARMS METROPOLITAN DISTRICT

HELD: Tuesday, September 21, 2021, at 6:00 p.m.

This meeting was held by video/teleconferencing and was made available via the directions below:

<https://us02web.zoom.us/j/81775897249?pwd=VUtETDNpVld0RVhmVUhLT0JtcytMQT09>; or via Dial- in number: 1-669-900-6833, Meeting ID: 817 7589 7249, Access Code: 903812.

ATTENDANCE:

A special meeting of the Board of Directors of the Lost Creek Farms Metropolitan District was called and held as shown above and in accordance with the applicable statutes of the State of Colorado; a conference telephone was in use at the meeting location in compliance with C.R.S. 11-57-211 and 24-6-402-(1)(b), with the following directors present and acting:

David B. Ware (by video/teleconference)
David M. Spahr (by video/teleconference)
Brian Greenman (by video/teleconference)
Patrick J. Murphy (by video/teleconference)
Rick Goldmeyer (by video/teleconference)

Also, present via video/teleconference: Angela Elliott, District Manager, Teleos Management; Diane Wheeler, Accountant for the District, Simmons and Wheeler; Shannon Smith Johnson, Legal Counsel for the District, Icenogle Seaver Pogue, P.C.; and members of the public.

CALL TO ORDER:

On behalf of the Board, District Counsel Johnson, noting the presence of a quorum, called the special meeting of the Board of Directors of the Lost Creek Farms Metropolitan District to order at 6:03 p.m.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST:

Ms. Johnson advised the Board that pursuant to Colorado law, certain disclosures by the Board members may be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member confirmed the contents of any written disclosures previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

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Director Ware disclosed his interests and association with McStain Constructors, LLC, MC3 Holdings LLC and LCFI, LLC and LCF Erie, LLC, and an interest in real property within the boundaries of the District. This disclosure is associated with approval of items on the agenda that may affect his interest.

Director Murphy disclosed his interests and association with McStain Constructors, LLC and an interest in real property within the boundaries of the District. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Spahr disclosed his interests and association with McStain Constructors, LLC, and LCFI, LLC and an interest in real property within the boundaries of the District. This disclosure is associated with approval of items on the agenda that may affect his interest.

Director Greenman disclosed his interests and association with McStain Constructors, LLC, MC3 Holdings LLC and LCFI, LLC and LCF Erie, LLC, and an interest in real property within the boundaries of the District. This disclosure is associated with approval of items on the agenda that may affect his interest.

Director Goldmeyer disclosed his interest in real property within the boundaries of the District. This disclosure is associated with approval of items on the agenda that may affect his interest.

Written disclosures of these interests had been filed with the Secretary of State and the Board prior to the meeting.

APPROVAL OF AGENDA:

Upon motion duly made, seconded, and unanimously carried, the Board approved the agenda.

PUBLIC COMMENT FOR MATTERS NOT ON AGENDA: None.

APPROVAL OF MINUTES:

The Board reviewed the minutes of the special meeting held by the Board of Directors of Lost Creek Farms Metropolitan District on November 3, 2020.

Following discussion and upon motion duly made by Director Goldmeyer, seconded by Director Murphy, upon vote and unanimously carried, the Board approved the minutes and authorized Director Spahr to execute the minutes as constituting a true and correct record of the proceedings of the meeting.

FINANCIAL MATTERS:

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A. Approval and Ratification of Payment of Claims.

District Accountant Wheeler presented the payment of claims, represented by check numbers 1082 through 1014 for ratification in the amount of \$25,851.23 for the period October 27, 2020 through August 17, 2021.

Following discussion, upon motion made Director Ware, seconded by Director Greenman, upon vote and unanimously carried, the Board ratified the payment of claims, represented by check numbers 1082 through 1014 in the amount of \$25,851.23.

B. Financial Statements.

District Accountant Wheeler presented the financial statements ending June 30, 2021. The General Fund as of June 30, 2021, was \$15,000.00; and \$256,644.00 is in the Debt Service Fund to make bond payments.

District Accountant Wheeler noted that in 2021, the developer, LCF1 LLC (the "Developer"), has advanced \$8,243.00 that has been received. A bond interest payment of \$37,231.00 was paid on June 1, 2021 and will be paid again on December 1, 2021.

Following discussion, upon motion made by Director Murphy, seconded by Director Ware, and upon vote, the Board accepted the financial statements as presented.

C. Conduct Public Hearing on the proposed 2022 Budget and consider adoption of Resolution to adopt the 2022 Budget, Set Mill Levies, Appropriate Sums of Money and Certify Mill Levies.

Upon motion duly made by Director Ware, seconded by Director Murphy, upon vote and unanimously carried, the Board opened the public hearing to consider the proposed 2022 Budget and discuss related issues.

It was noted that the publication of notice stating that the Board would consider adoption of the 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 this public hearing.

Director Goldmeyer asked why the developer was still making advances. District Accountant Wheeler discussed that the developer is advancing through next year, as the District can only fund approximately \$15,000 each year from ad valorem taxes. The directors and District Accountant Wheeler also discussed that if the District goes to election, developer advances may be needed in 2022.

Further discussion followed on assessed valuations and when new construction will be valued as completed.

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No public comments were made, and upon motion duly made by Director Murphy, seconded by Director Goldmeyer, and upon vote unanimously carried, the Board closed the public hearing, and the public hearing was closed.

Following discussion, the Board considered the adoption of the Resolution to adopt the 2022 Budget, Set Mill Levies, Appropriate Sums of Money and Certify Mill Levies for the District. Upon motion duly made by Director Murphy, seconded by Director Goldmeyer, and upon vote, unanimously carried, the District (1) approved the 2022 budget, (2) approved the appropriation and expenditure of funds as detailed therein, (3) certified a mill levy of 53.542 mills to be certified by the District for collection in 2022, (4) authorized Director Ware as President to sign the necessary documentation, and (5) directed District Accountant Wheeler to submit the certification of tax levy to the Board of County Commissioners of Boulder County no later than December 15, 2021, and District Manager Elliott to file the 2022 budget with the Division of Local Government prior to January 30, 2021.

D. Conduct Public Hearing on Amendment to the 2021 Budget and consider adoption of Resolution to adopt the Amended 2021 Budget, if necessary.

The Board determined an amendment to the 2021 budget was not necessary.

E. Consider Acceptance of 2020 Audit.

Following discussion, upon motion made by Director Ware, seconded by Director Murphy, upon vote and unanimously carried, the Board accepted the 2020 Audit prepared by WIPFLI.

Discussion followed, noting that once 40 out of the 42 lots are sold, the District will not need an Audit.

F. Consider Approval of Outstanding Advance & Reimbursement Obligation Form No. 3 Pursuant to Advance and Reimbursement and Facilities Acquisition Agreement with LCF1, LLC.

District Counsel Johnson and District Accountant Wheeler discussed that this form addresses the advances made by the Developer to the District as of June 30, 2021 pursuant to the Advance and Reimbursement and Facilities Acquisition Agreement.

Following discussion, upon motion duly made by Director Ware, seconded by Director Murphy, upon vote and unanimously carried, the Board approved the Outstanding Advance and Reimbursement Obligation Form No. 3.

LEGAL MATTERS:

A. Consider Adoption of Exclusion of Workers Compensation Coverage Resolution.

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District Counsel Johnson reviewed the Exclusion of Workers Compensation Coverage Resolution with the Board.

Following discussion, upon motion duly made by Director Murphy, seconded by Director Greenman, and upon vote unanimously carried, the Board adopted the Exclusion of Workers Compensation Coverage Resolution.

B. Consider adoption of Resolution Calling for 2022 Regular Election.

District Counsel Johnson presented to the Board the 2022 Regular Special District Election Resolution, to be held on May 3, 2022. The Resolution resolved the election to be conducted by mail ballot, and the terms of Directors Spahr and Murphy shall expire following the regular election.

The Resolution further discusses how the district sends information to taxpayers about the 2022 regular election. The Board discussed using emails and posting on the website.

Upon motion duly made by Director Ware, seconded by Director Murphy, upon vote and unanimously carried, the District adopted the 2022 Regular Special District Election Resolution be held May 3, 2022.

C. Consider engagement of Community Resource Services, LLC for May 2022 election services.

District Counsel Johnson presented to the Board regarding the engagement of Community Resource Services, LLC for May 2022 election services at an estimate of \$5,000, should the district have more candidates than seats up for election.

Upon motion duly made by Director Ware, seconded by Director Murphy upon vote and unanimously carried, the District approved the engagement of Community Resource Services, LLC for election services, subject to final review and approval of cost of services by Directors Greenman and Ware.

DIRECTOR MATTERS: Director Goldmeyer requested the board packets be send one week prior to meeting date.

MANAGER MATTERS:

A. 2022 MEETING DATES/TIMES:

Manager Elliott suggested to the Board meeting on September 20, 2022 at 6:00 p.m. via video/teleconferencing.

Following discussion and upon motion duly made by Director Murphy, seconded by Director Goldmeyer, and upon vote unanimously carried, the Board approved the above meeting date, time, and location.

B. Election of Officers for 2022.

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Manager Elliott discussed that District Legal Counsel desired this to be a separate agenda item and confirmed within the Annual Resolution.

The Board hereby elects the following officers for the District:

President/Chairman: David B. Ware
Treasurer: Brian Greenman
Secretary: David M. Spahr
Assistant Secretary: Patrick J. Murphy
Assistant Secretary: Frederick Goldmeyer

C. Consider the adoption of the 2022 Annual Resolution.

Manager Elliott presented the Resolution concerning 2022 Annual Administrative Matters for Manager, Accountant, Legal Counsel and Bond Counsel to perform certain tasks on a recurring basis in the operation of the District.

The posting place for meeting notices and newspaper for publications remain the same and the meeting location was identified as suitable to the Board. The online posting of meeting notices was discussed and will be utilized at lostcreekfarmhoa.com, as well as posting on the mailbox.

Following discussion and upon motion duly made by Director Murphy, seconded by Director Goldmeyer, and upon vote unanimously carried, the Board adopted the 2022 Annual Resolution.

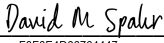
OTHER BUSINESS: None

ADJOURNMENT:

There being no further business to come before the Board, upon motion made by Director Ware, seconded by Director Murphy, and upon vote unanimously carried, the Board adjourned at 6:48 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 the Lost Creek Farms Metropolitan District.

Respectfully submitted,

DocuSigned by:

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Secretary of the District