

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SKY RANCH COMMUNITY AUTHORITY BOARD (“CAB”) HELD OCTOBER 9, 2020

A special meeting of the Board of Directors (referred to hereafter as the “Board”) of the CAB was convened on Friday, the 9th day of October, 2020, at 8:30 a.m. at Pure Cycle Corporation, 34501 E. Quincy Ave., Bldg. 34, Watkins, CO 80137. Due to the concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this CAB Board meeting was also held virtually via Microsoft Teams and by conference call. The meeting was open to the public.

Directors In Attendance Were:

Mark Harding
Joe Knopinski
Kevin McNeill
Scott Lehman
Dirk Lashnits

Also In Attendance Were:

Lisa Johnson and Cathee Sutton; CliftonLarsonAllen LLP
Suzanne Meintzer, Esq.; McGeady Becher P.C.
Barrett Marrocco; Independent District Engineering Services, LLC
 (“IDES”)
Rick Dinkel; Pure Cycle Corporation

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest:

Attorney Meintzer noted that a quorum was present and the Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney Meintzer requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Meintzer noted that all Directors’ Disclosure Statements have been filed. No additional conflicts were disclosed at the meeting.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda, Location of Meeting and Posting of Meeting Notice:

The Board reviewed a proposed Agenda for the CAB's special meeting.

Following discussion, upon a motion made by Director McNeill, seconded by Director Harding and, upon vote, unanimously carried the Board approved the agenda as amended.

The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director McNeill, seconded by Director Harding and, upon vote, unanimously carried, the Board determined that due to the ongoing concerns regarding the spread of the COVID-19 and the benefits to the control of the spread of the virus by limiting in-person contact, certain Board members and consultants of the CAB would attend this meeting in person at the above-referenced location. However, certain other Board members and consultants of the District would attend this meeting via video conference or teleconference. The Board further noted that the notice of the time, date, location, and video conference/teleconference information for the meeting was duly posted and that no objections to the means of hosting the meeting were received from taxpaying electors.

CONSENT AGENDA

The Board considered the following actions:

Minutes from the September 11, 2020 Special Meeting:

Following discussion, upon motion duly made by Director Lashnits, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved the minutes from the September 11, 2020 Special Meeting.

FINANCIAL MATTERS

Schedule of Cash Position, Accounts Receivable Summaries, Property Tax Schedules, and Developer Advance Schedule through September 30, 2020:

Ms. Sutton presented the Board with the financial information.

RECORD OF PROCEEDINGS

Following review and discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved the schedule of cash position, accounts receivable summaries, property tax schedules, and developer advance schedule through September 30, 2020.

Payables from September 3, 2020 through September 30, 2020 in the amount of \$613,844.20:

The Board reviewed the payables.

Following review and discussion, upon motion duly made by Director Knopinski, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved the payables from September 3, 2020 through September 30, 2020 in the amount of \$613,844.20.

Amendment to 2020 Budget (First Reading): The Board opened the public hearing to consider an amendment to the 2020 Budget. There was no public comment. The public hearing was closed. Following discussion, it was noted that an amendment to the 2020 budget would not likely be necessary. No action was taken by the Board.

2021 Budget (First Reading): The Board then opened the public hearing to consider the CAB's proposed 2021 Budget and discuss related issues. There was no public comment. The public hearing was closed. Ms. Sutton reviewed the estimated 2020 expenditures and the proposed 2021 expenditures. No action was taken by the Board.

**CONSTRUCTION
MATTERS**

Project Manager's Report:

Director Lashnits presented the Project Manager's Report to the Board.

Task Order No. 5 to the Master Service Agreement ("MSA") with IDES for ongoing District Engineer Services for Filing No. 1 in the amount of \$25,000:

Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Task Order No. 5 to the MSA with IDES for ongoing District Engineer Services for Filing No. 1 in the amount of \$25,000.

Task Order No. 1 to the MSA with IDES for Next Filing District Engineer Services for Phase II in the amount of \$50,000 and authorize IDES to solicit bids for grading services:

Following discussion, upon motion duly made by Director Harding,

RECORD OF PROCEEDINGS

seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Task Order No. 1 to the MSA with IDES for Next Filing District Engineer Services for Phase II in the amount of \$50,000 and authorized IDES to solicit bids for grading services.

Drainage and Utilities:

1. Pay Application No. 30 to the Drainage and Utilities Construction Contract with Premier Earthworks & Infrastructure, Inc. ("PEI") in the amount of \$48,254.24:

Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 30 to the Drainage and Utilities Construction Contract with PEI in the amount of \$48,254.24.

Roadway Improvements:

1. Change Order No. 18 to the Roadways Construction Contract with PEI in the amount of \$21,286.64 for regrading along the bridge tract near 10th Ave. and removing and replacing concrete stones in Phase 3:

Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Change Order No. 18 to the Roadways Construction Contract with PEI in the amount of \$21,286.64 for regrading along the bridge tract near 10th Ave. and removing and replacing concrete stones in Phase 3.

2. Pay Application No. 25 to the Roadways Construction Contract with PEI in the amount of \$20,223.14:

Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 25 to the Roadways Construction Contract with PEI in the amount of \$20,223.14.

Grading/Earthwork:

There were no items presented for the Board's consideration.

RECORD OF PROCEEDINGS

Landscape Improvements:

Phase I

1. Change Order No. 27 to the Landscape Improvements Contract with Environmental Design Inc. ("EDI") in the amount of \$6,152.39 for applying herbicide, mowing, and drill seeding along Monaghan and for generator rental costs for irrigation.

Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Change Order No. 27 to the Landscape Improvements Contract with EDI in the amount of \$6,152.39 for applying herbicide, mowing, and drill seeding along Monaghan and for generator rental costs for irrigation.

2. Pay Application No. 19 to the Landscape Improvements Contract with EDI in the amount of \$3,842.81:

Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 19 to the Landscape Improvements Contract with EDI in the amount of \$3,842.81.

Phase II

1. Change Order No. 3 to the Landscape Improvements Contract with EDI in the amount of \$2,788.59 for doubling the amount of seed mix to increase density:

Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Change Order No. 3 to the Landscape Improvements Contract with EDI in the amount of \$2,788.59 for doubling the amount of seed mix to increase density.

2. Pay Application No. 5 to the Landscape Improvements Contract with EDI in the amount of \$29,157.08:

Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 5 to the Landscape Improvements Contract with EDI in the amount of \$29,157.08.

RECORD OF PROCEEDINGS

Phase III

1. Change Order No. 7 to the Landscape Improvements Contract with EDI in the amount of \$10,266.22 for doubling the amount of seed mix to increase density:

Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Change Order No. 7 to the Landscape Improvements Contract with EDI in the amount of \$10,266.22 for doubling the amount of seed mix to increase density.

2. Pay Application No. 5 to the Landscape Improvements Contract with EDI in the amount of \$130,672.43:

Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 5 to the Landscape Improvements Contract with EDI in the amount of \$130,672.43.

Engineers Report:

Mr. Marrocco presented the Engineer's Report to the Board.

COMMUNITY MANAGEMENT

Community Manager's Report: The Board reviewed the community manager report provided by Ms. Herman.

LEGAL MATTERS

Status of Service Plan Amendment Process:

Director Harding and Attorney Meintzer gave an update on the Service Plan Amendment process.

OTHER BUSINESS

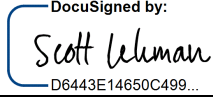
Confirm Quorum for November 13, 2020 Board Meeting: The Board confirmed a quorum for the November 13, 2020 Board Meeting.

RECORD OF PROCEEDINGS

ADJOURNMENT

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

Respectfully submitted,

By: 
Secretary for the Meeting

The signature block consists of the text "By:" followed by a blue DocuSigned signature box. Inside the box, the name "Scott Lehman" is written in cursive. Above the signature is the text "DocuSigned by:" and below it is the alphanumeric string "D6443E14650C499...". A horizontal line is drawn under the signature box, and the text "Secretary for the Meeting" is positioned below this line.