

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SKY RANCH COMMUNITY AUTHORITY BOARD (“CAB”) HELD DECEMBER 17, 2020

A special meeting of the Board of Directors (referred to hereafter as the “Board”) of the CAB was convened on Thursday, the 17th day of December, 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 Lashmits

Also In Attendance Were:

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

**ADMINISTRATIVE
MATTERS**

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.

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Quorum, Agenda, Location of Meeting and Posting of Meeting Notice:

Attorney Meintzer noted that all Directors were present and a quorum was declared. The Board reviewed a proposed Agenda for the CAB's special meeting. Following discussion, upon a motion made by Director Lashnits, seconded by Director Knopinski 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 CAB's Board meeting.

Following discussion, upon motion duly made by Director Lashnits, seconded by Director Knopinski and, upon vote, unanimously carried, the Board determined that due to the ongoing concerns regarding the spread of 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 CAB 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.

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

The Board considered the following actions:

- Approval of Minutes from the November 13, 2020 Special Meeting
- Ratify approval of Task Order No. 2 to the Master Services Agreement with PCS Group, Inc. for Phase 2 Planning and Landscape and Design in the amount of \$257,500
- Ratify approval of Proposal from CSMK, LLC d/b/a A-Mac Underground for Boring for Landscape Lighting in the amount of \$4,500
- Ratify approval of Proposal from Dauer Haswell Architecture, P.C. d/b/a Studio DH for Recreation Center Planning in the amount of \$5,000
- Ratify approval of Pay Application No. 5 to the Landscape Improvements Contract with Environmental Design Inc. ("EDI") in the amount of \$29,157.08

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Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved and/or ratified approval of the Consent Agenda items listed above.

FINANCIAL MATTERS

Schedule of Cash Position, Accounts Receivable Summaries, Property Tax Schedules, and Developer Advance Schedule through September 30, 2020 updated as of December 1, 2020:

Ms. Dam presented the Schedule of Cash Position, Accounts Receivable Summaries, Property Tax Schedules, and Developer Advance Schedule through September 30, 2020 updated as of December 1, 2020.

Following review and discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board accepted the Schedule of Cash Position, Accounts Receivable Summaries, Property Tax Schedules, and Developer Advance Schedule through September 30, 2020 updated as of December 1, 2020.

Payables through December 11, 2020:

The Board reviewed the payables through December 11, 2020 in the revised amount of \$346,366.15.

Following review and discussion, upon motion duly made by Director Lashnits, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved the payables through December 11, 2020 in the revised amount of \$346,366.15.

CONSTRUCTION MATTERS

Construction Contract with Bemas Construction, Inc. for Phase 2 Earthwork in the amount of \$2,393,330:

Mr. Marrocco summarized the bids received for Phase 2 Earthwork and recommended that the Construction Contract be awarded to Bemas Construction, Inc. Following discussion, upon motion duly made by Director Knopinski, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved a Construction Contract with Bemas Construction, Inc. for Phase 2 Earthwork in the amount of \$2,393,330 and authorized execution of the Notice to Proceed.

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Project Manager's Report:

Director Lashnits presented the Project Manager's Report to the Board, noting that all work in Phase 1 (with the exception of landscaping which will be completed in the Spring) is complete.

Task Order No. 2 to the Master Services Agreement ("MSA") with CTL Thompson, Inc. for Phase 2 Overlot and Street Subex Material Testing in the amount of \$86,821.00:

Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Task Order No. 2 to the MSA with CTL Thompson, Inc. for Phase 2 Overlot and Street Subex Material Testing in the amount of \$86,821.00.

Task Order No. 2 to the MSA with KT Engineering, LLC for Phase II Overlot and Street Subex Surveying in the amount of \$96,600.00:

Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Task Order No. 2 to the MSA with KT Engineering, LLC for Phase II Overlot and Street Subex Surveying in the amount of \$96,600.00.

Drainage and Utilities:

- 1. Change Order No. 27 to the Drainage and Utilities Construction Contract with Premier Earthworks & Infrastructure, Inc. ("PEI") for meter pit repairs and adjustments in Block 17:*

Following discussion, upon motion duly made by Director Lashnits, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Change Order No. 27 to the Drainage and Utilities Construction Contract with PEI for meter pit repairs and adjustments in Block 17 due to home builder damage in the amount of \$1,058.79.

- 2. Pay Application No. 32 to the Drainage and Utilities Construction Contract with PEI:*

Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 32 to the Drainage and Utilities Construction Contract with PEI in the amount of \$1,005.85.

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3. *Pay Application No. 33 (full retainage release) to the Drainage and Utilities Construction Contract with PEI:*

Mr. Marrocco confirmed that a Notice of Final Payment had been published and that no claims were received.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 33 (full retainage release) to the Drainage and Utilities Construction Contract with PEI in the amount of \$63,559.94.

Roadway Improvements:

1. *Change Order No. 19 to the Roadway Improvements Construction Contract with PEI for additional signage on 6th Avenue due to a design change:*

Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Change Order No. 19 to the Roadway Improvements Construction Contract with PEI for additional signage on 6th Avenue due to a design change in the amount of \$4,608.65.

2. *Pay Application No. 26 to the Roadways Improvement Construction Contract with PEI:*

Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 26 to the Roadways Improvement Construction Contract with PEI in the amount of \$5,186.32.

3. *Pay Application No. 27 (full retainage release) to the Roadways Improvement Construction Contract with PEI:*

Mr. Marrocco confirmed that a Notice of Final Payment had been published and no claims were received. Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 27 (full retainage release) to the Roadways Improvement Construction Contract with PEI in the amount of \$112,139.49.

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Grading/Earthwork:

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

Landscape Improvements:

Phase I

- 1. Pay Application No. 20 to the Landscape Improvements Contract with EDI:*

Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 20 to the Landscape Improvements Contract with EDI in the amount of \$ 39,305.92.

Phase III

- 1. Pay Application No. 7 to the Landscape Improvements Contract with EDI:*

Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 7 to the Landscape Improvements Contract with EDI in the amount of \$ 95,606.60.

Engineers Report:

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

LEGAL MATTERS

Amended and Restated Service Plans for Sky Ranch Metropolitan District Nos. 3, 4 and 5 and Service Plans for proposed Sky Ranch Metropolitan District Nos. 6, 7 and 8:

Director Harding and Attorney Meintzer provided an update to the Board, noting that the Board of County Commissioners approved the Service Plans on December 8, 2020.

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Engagement Letter for Covenant Enforcement and Fee Collection Legal Services by and between the CAB and Altitude Community Law P.C.:

Ms. Johnson presented to the Board. Following discussion, upon motion duly made by Director Harding, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved the Engagement Letter for Covenant Enforcement and Fee Collection Legal Services by and between the CAB and Altitude Community Law P.C.

First Amendment to Phase 1 Facilities Funding and Acquisition Agreement by and between the CAB and Pure Cycle Corporation:

Attorney Meintzer presented the First Amendment to Phase 1 Facilities Funding and Acquisition Agreement by and between the CAB and Pure Cycle Corporation to the Board. Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved the First Amendment to Phase 1 Facilities Funding and Acquisition Agreement by and between the CAB and Pure Cycle Corporation.

Phase 2 Facilities Funding and Acquisition Agreement by and between the CAB and Pure Cycle Corporation:

Attorney Meintzer presented the Phase 2 Facilities Funding and Acquisition Agreement by and between the CAB and Pure Cycle Corporation to the Board. Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved the Phase 2 Facilities Funding and Acquisition Agreement by and between the CAB and Pure Cycle Corporation.

Inclusions and Exclusions Needed in 2021 to Effectuate the Intent of the Amended and Restated Service Plans for Sky Ranch Metropolitan District Nos. 3, 4 and 5 and the Service Plans for the Proposed Sky Ranch Metropolitan District Nos. 6, 7 and 8, and the Next Phase of Development:

Attorney Meintzer discussed the potential inclusions and exclusions needed in 2021 to effectuate the intent of the Amended and Restated Service Plans for Sky Ranch Metropolitan District Nos. 3, 4 and 5 and Service Plans for the proposed Sky Ranch Metropolitan District Nos. 6, 7 and 8, and the next phase of development. No action was taken.

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Conveyance of Certain Tracts described on SKY RANCH SUBDIVISION FILING NO. 1, SKY RANCH SUBDIVISION FILING NO. 2, and SKY RANCH SUBDIVISION FILING NO. 3 from Sky Ranch Metropolitan District No. 5 to the CAB via Quit Claim Deed and Consider Authorization of any Necessary Actions Related Thereto:

This item was deferred.

Potential Amendment of the Amended and Restated Resolution Regarding the Imposition of Operations and Maintenance Fees, to include LOTS 1 THROUGH 3, INCLUSIVE, BLOCK 1, SKY RANCH SUBDIVISION FILING NO. 3:

This item was deferred.

2021 Operation and Maintenance Fee

The Board discussed the Operations and Maintenance fees for 2021 and determined to continue to bill the fee at \$50 per month (\$150 per quarter).

**COMMUNITY
MANAGEMENT**

Community Manager's Report:

Ms. Terrell introduced herself to the Board and provided information on her background and experience in community management. The Board welcomed her to the team. There was no written report presented this month.

Service Agreement for 2020/2021 Snow Removal Services by and between the CAB and Pure Cycle Corporation:

Following discussion, upon motion duly made by Director Harding, seconded by Director Lashnits and, upon vote, unanimously carried, the Board rescinded approval of the Service Agreement for 2020/2021 Snow Removal Services by and between the CAB and Pure Cycle Corporation.

Service Agreement for Winter Grounds Maintenance Services by and between the CAB and Pure Cycle Corporation ("Winter Grounds Maintenance Agreement"):

The Board reviewed the Winter Grounds Maintenance Agreement. Attorney Meintzer explained the public bidding statute, and noted that, under the terms of the Winter Grounds Maintenance Agreement, Pure Cycle Corporation is representing to the CAB that it has the requisite skill and experience to perform the services, it will maintain the required amounts of insurance and will indemnify the CAB in the event of damage to CAB property.

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Further discussion ensued regarding incorporation of certain revisions to the compensation schedule included in the Winter Grounds Maintenance Agreement.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved the Winter Grounds Maintenance Agreement, as discussed.

OTHER BUSINESS

Confirm Quorum for January 8, 2021 Board Meeting: The Board confirmed a quorum for the January 8, 2021 Board Meeting.

ADJOURNMENT

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

Respectfully submitted,

DocuSigned by:

Scott Lehman

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By: _____

Secretary for the Meeting