

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1 HELD SEPTEMBER 27, 2022

A Regular Meeting of the Board of Directors of the Jefferson Center Metropolitan District No. 1 (referred to hereafter as "Board") was convened on Tuesday, September 27, 2022, at 9:30 a.m. This District Board meeting was held by video/telephone conference with all participants attending via video/teleconference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Jeff L. Nading
Charles Church McKay
Steven Nading
Brandon Dooling

Following discussion, upon motion duly made by Director McKay, seconded by Director Steven Nading and, upon vote, unanimously carried, the absence of Director Gregg Bradbury was excused, and Director McKay was appointed as Acting President for the meeting.

Also In Attendance Were:

James Ruthven; Special District Management Services, Inc.

Megan Becher, Esq.; McGeady Becher P.C.

Joy Tatton; Simmons & Wheeler, P.C.

Wes Back, Brandon Collins and Elesha Carbaugh-Gonzales; Independent District Engineering Services, LLC

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: 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. Mr. Ruthven noted that a quorum was present and requested members of the Board 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 Becher noted that all Directors'

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Disclosure Statements had been filed and that no additional conflicts were disclosed at the meeting.

ADMINISTRATIVE MATTERS

Agenda: Mr. Ruthven distributed, for the Board's review and approval, a proposed agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director McKay, seconded by Director Steven Nading and, upon vote, unanimously carried, the agenda was approved, as presented.

Location of Meeting and Posting of Notices: 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. The Board determined that the meeting would be held by video/telephonic means, and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location of the meeting was duly posted and that the District had not received any objections to the video/telephonic manner of the meeting, or any requests that the video/telephonic manner of the meeting be changed by taxpaying electors within the District boundaries.

Minutes: The Board reviewed the minutes of the August 23, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director Jeff Nading, seconded by Director Dooling and, upon vote, unanimously carried, the minutes of the August 23, 2022 Regular Meeting were approved, as presented.

Resignation and Appointment of Secretary: The Board acknowledged Mr. Solin's resignation as Secretary to the Board.

Following discussion, upon motion duly made by Director Steven Nading, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board appointed Mr. Ruthven as the Secretary to the Board.

PUBLIC COMMENT

There were no public comments.

CONSENT AGENDA

The Board considered the following actions:

- Ratify approval of Contract for Sanitary Interceptor between the District and Wagner Construction, Inc., in the amount of \$2,231,708.50.

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- Ratify approval of Contract for Highway 72 widening between the District and Wagner Construction, Inc., in the amount of \$1,883,500.00.
- Ratify approval of Change Order No. 6 to the Contract between the District and Wagner Construction, Inc., for concrete increases for CDOT mix on Indiana Street, in the amount of \$3,483.25.
- Ratify approval of Change Order No. 7 to the Contract between the District and Wagner Construction, Inc., for asphalt material escalation, in the amount of \$15,168.48.
- Ratify approval of Task Order No. 2 to the Master Service Agreement for Railroad Consulting Services between the District and 360 Rail Services, LLC, for ongoing PUC coordination and applications, in the amount of \$10,000.00.
- Ratify approval of Task Order No. 21-A2 to the Service Agreement between the District and Martin/Martin, Inc., for Taylor Morrison Roadway grading exhibit, in the amount of \$5,000.00.

Following review, upon motion duly made by Director Jeff Nading, seconded by Director McKay and, upon vote, unanimously carried, the Board approved and/or ratified approval of, as appropriate, the above Consent Agenda items/actions.

FINANCIAL MATTERS

Claims: The Board considered ratifying approval of the payment of claims through the period ending September 30, 2022.

Following discussion, upon motion duly made by Director Steven Nading, seconded by Director Dooling and, upon vote, unanimously carried, the Board ratified approval of the payment of claims through the period ending September 30, 2022, in the amount of \$980,968.17.

Cash Position Statement: Ms. Tatton reviewed with the Board the cash position statement as of September 21, 2022.

Following discussion, upon motion duly made by Director Jeff Nading, seconded by Director Dooling and, upon vote, unanimously carried, the Board accepted the cash position statement as of September 21, 2022.

Forecast of General Fund Revenues and Expenditures: Ms. Tatton reviewed, and the Board discussed, the forecast of General Fund revenues and expenditures.

Expense Tracking Report (ETR): Ms. Carbaugh-Gonzales reviewed the Expense Tracking Report with the Board.

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District Expenditures Verification Report prepared by Independent District Engineering Services, LLC (“IDES”): Ms. Carbaugh-Gonzales reviewed with the Board IDES’ report entitled “District Expenditures Verification for September 2022,” which summarizes IDES’ review and verification of the expenditures of the District for September 2022 related to certain District construction contracts. The Verification Report identified \$980,968.17 of District Eligible Expenses and \$-0- of Non-Eligible Expenses.

Following discussion, upon motion duly made by Director Jeff Nading, seconded by Director McKay and, upon vote, unanimously carried, the Board accepted the District Eligible Expenses in the amount of \$980,968.17.

Series 2020 Bonds Budget for Infrastructure: There were no updates at this time.

Future Operation and Maintenance Obligations: There were no updates at this time.

MANAGEMENT MATTERS

Water Allocations and Facilities Fees Collections: Mr. Ruthven noted that there were no changes to the Water Allocation Report since the last report.

LEGAL MATTERS

Status of Retaining Wall and Slope Easements for the Benefit of RangeWater Residential, LLC: The Board deferred discussion.

General Obligation Refunding and Improvement Bonds, Series 2023: The Board deferred discussion.

District’s conveyance of Lots 1-3, Candelas Commercial Filing No. 3, Amendment No. 2, to Cimarron Development Company (“CDC”) and the District’s acquisition of Tracts A through E, Candelas Commercial Filing No. 3, Amendment No. 2, from CDC upon recordation of the Final Plat for Candelas Commercial Filing No. 3, Amendment No. 2: Attorney Becher reported to the Board that the conveyances will occur upon recordation of the Candelas Commercial Filing No. 3, Amendment No. 2 Final Plat.

Following discussion, upon motion duly made by Director Jeff Nading, seconded by Director Steven Nading and, upon vote, unanimously carried, the Board authorized the District’s conveyance of Lots 1-3, Candelas Commercial Filing No. 3, Amendment No. 2, to CDC and the District’s acquisition of Tracts A through E, Candelas Commercial Filing

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No. 3, Amendment No. 2, from CDC upon recordation of the Final Plat for Candelas Commercial Filing No. 3, Amendment No. 2.

Resolution No. 2022-09-01, Resolution of the Board of Directors of Jefferson Center Metropolitan District No. 1 Authorizing the Sale and Acquisition of Certain Real Property: Attorney Becher reviewed with the Board Resolution No. 2022-09-01, Resolution of the Board of Directors of Jefferson Center Metropolitan District No. 1 Authorizing the Sale and Acquisition of Certain Real Property (“Sale and Acquisition Resolution”).

Following review and discussion, upon motion duly made by Director Jeff Nading, seconded by Director Steven Nading and, upon vote, unanimously carried, the Board adopted the Sale and Acquisition Resolution.

Facilities Acquisition Agreement (Trailstone Development) by and between the District, Taylor Morrison of Colorado, Inc., Cimarron Development Company, and Cimarron Commercial, LLC: The Board deferred discussion.

Potential agreement between the District and a future homeowners’ association relative to the operation and maintenance of Trailstone Improvements: Attorney Becher discussed with the Board a potential agreement between the District and a future homeowners’ association relative to the operation and maintenance of Trailstone Improvements. No action was taken at this time.

CONSTRUCTION MATTERS

Construction Status Report: Mr. Back reviewed the Project Status Report dated August 23, 2022, with the Board. A copy of the report is attached hereto and incorporated herein by this reference.

Contracts, Task Orders, Work Orders and Change Orders: Mr. Back discussed the following Contracts, Task Orders, Work Orders and Change Orders:

- Consider approval of Change Order No. 8 to the Contract between the District and Wagner Construction, Inc., to lower existing sanitary manholes, in the amount of \$3,208.54.
- Consider approval of Task Order No. 9 to the Contract between the District and Golden Triangle Construction, Inc. for grade stabilization, in the amount of \$2,331.00.
- Consider approval of Task Order No. 18-A1 to the Service Agreement between the District and Martin/Martin, Inc., for Candelas/Indiana intersection modifications Amendment No. 1, in

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the amount of \$644.06.

- Consider approval of Task Order No. 6 to the Master Service Agreement between the District and SWCA, Incorporated, d/b/a SWCA Environmental Consultants, for environmental support for the HWY 93 expansion, in the amount of \$55,600.00.

Following discussion, upon motion duly made by Director Steven Nading, seconded by Director McKay and, upon vote carried, the Board approved (or ratified approval of, as appropriate) the Contracts, Change Orders, Task Orders and Work Orders listed above. It was noted that Director Jeff Nading abstained from the votes on all of the Task Orders.

SEMA Construction Inc. Warranty Obligations: Mr. Back and Attorney Becher reported to the Board on the status of the warranty obligations of SEMA Construction, Inc. (“SEMA”).

Mr. Back presented to the Board the proposal from West Construction Ltd. to complete the warranty work to the extent SEMA does not complete the same. Following discussion, upon motion duly made by Director Jeff Nading, seconded by Director McKay and, upon vote, unanimously carried, the Board authorized the contract with West Construction Ltd., for completion of concrete repairs, in the amount of \$22,850.00, subject to requisite notices to SEMA and final contract review.

GH Phipps Construction Companies Warranty Obligations: Mr. Back and Attorney Becher reported to the Board on the status of the warranty obligations of GH Phipps Construction Companies (“GH Phipps”).

Mr. Back presented to the Board proposals from West Construction Ltd. and Martin Marietta Materials, Inc. to complete the warranty work to the extent GH Phipps does not complete the same. Following discussion, upon motion duly made by Director Jeff Nading, seconded by Director McKay and, upon vote, unanimously carried, the Board authorized the contract with West Construction Inc., for completion of concrete repairs, in the amount of \$7,325.00, and the contract with Martin Marietta Materials, Inc., for completion of concrete repairs, in the amount of \$31,029.50, both subject to requisite notices to GH Phipps and final contract review.

Premier Earthworks & Infrastructure, Inc. (“PEI”) Warranty Obligations: Mr. Back and Attorney Becher reported to the Board on the status of the warranty obligations of PEI. No Board action was necessary at this time.

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Engagement of Brownstein Hyatt Farber Schreck, LLP: The Board discussed the engagement of Brownstein Hyatt Farber Schreck, LLP as special counsel for warranty matters.

Following discussion, upon motion duly made by Director Jeff Nading, seconded by Director Dooling and, upon vote, unanimously carried, the Board approved the engagement of Brownstein Hyatt Farber Schreck, LLP as special counsel for warranty matters.

CAPITAL IMPROVEMENTS

District Engineer's Cost Certification Report No. 10, dated September 2022, prepared by Independent District Engineering Services, LLC, certifying District eligible expenditures relative to Trailstone Filing No. 1 Public Improvements: Mr. Back reviewed the report with the Board.

Following discussion, upon motion duly made by Director Steven Nading, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board approved the District Engineer's Cost Certification Report No. 10, dated September, 2022, prepared by Independent District Engineering Services, LLC, certifying District eligible expenditures relative to Trailstone Filing No. 1 Public Improvements, in the amount of \$59,077.01 ("Report No. 10").

Reimbursement to Cimarron Commercial, LLC under the Facilities Funding and Acquisition Agreement between the District and Cimarron Development Company (CDC), as amended, and pursuant to the Letter from CDC regarding Payment Directive Pertaining to Certified Costs for Trailstone Filing No. 1 Public Improvements: Attorney Becher and the Board discussed the reimbursement to Cimarron Commercial, LLC under the Facilities Funding and Acquisition Agreement between the District and Cimarron Development Company (CDC), as amended, and pursuant to the Letter from CDC regarding Payment Directive Pertaining to Certified Costs for Trailstone Filing No. 1 Public Improvements.

Following discussion, upon motion duly made by Director Steven Nading, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board authorized reimbursement in the amount of \$59,077.01 (per Report No. 10), to Cimarron Commercial, LLC under the Facilities Funding and Acquisition Agreement between the District and Cimarron Development Company (CDC), as amended, and pursuant to the Letter from CDC regarding Payment Directive Pertaining to Certified Costs for Trailstone Filing No. 1 Public Improvements, subject to approval by Director Bradbury.

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OTHER BUSINESS

There was no other business.

ADJOURNMENT

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

Respectfully submitted,

By: 
Secretary for the Meeting