

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
HIDDEN CREEK METROPOLITAN DISTRICT (THE "DISTRICT")
HELD
DECEMBER 2, 2021

A special meeting of the Board of Directors of the Hidden Creek Metropolitan District (referred to hereafter as the "Board") was convened on Thursday, December 2, 2021, at 1:00 p.m. via an online Zoom Meeting at <https://us02web.zoom.us/j/85770872524?pwd=UDh5ME15ZTEwaDhhZERQRUdkSnd1Zz09>, Conference ID: 857 7087 2524, Passcode: 191647 or via telephone conference at Dial-In: 1-346-248-7799.

ATTENDANCE

Directors In Attendance Were:

Tracye L. Herrington, President
Kacy Flemons, Secretary

Treasurer Jody Rowland was absent and excused.

Also, In Attendance Were:

Denise Denslow & Jason Carroll; CliftonLarsonAllen, LLP
Jennifer L. Ivey; Icenogle Seaver Pogue, P.C.

ADMINISTRATIVE ITEMS

Call to order and approval of agenda: The meeting was called to order at 1:05 p.m. Following review, upon a motion duly made by Director Herrington, seconded by Director Flemons and, upon vote, unanimously carried, the Board approved the agenda, as presented.

Disclosures of potential conflicts of interest: Attorney Ivey advised the Board that pursuant to Colorado law, certain disclosures may be required prior to taking official action at the meeting. The Board reviewed the agenda for the meeting, following which each director confirmed the contents of written disclosures previously made and filed with the Secretary of State prior to the meeting, stating the fact and summary nature of any matters, as required by Colorado law, to permit official action to be taken at the meeting.

Quorum, location of meeting and posting of meeting notices: A quorum of the member of the Board of Directors and the location of the meeting were confirmed and it was verified that notice of this meeting was posted at least 24-hours in advance of the meeting. Director Rowland was absent and excused.

Public comment: No public comment.

RECORD OF PROCEEDINGS

Minutes from the July 1, 2021 Special Meeting: Following review, upon a motion duly made by Director Herrington, seconded by Director Flemons and, upon vote, unanimously carried, the Board approved the minutes from the July 1, 2021 Special Meeting, as presented.

FINANCIAL MATTERS

Unaudited Financial Statements and Cash Position Report for the Period Ending September 30, 2021: Mr. Carroll reviewed the Unaudited Financial Statements and Cash Position Report with the Board. Following review, upon a motion duly made by Director Herrington, seconded by Director Flemons and, upon vote, unanimously carried, the Board accepted the Unaudited Financial Statements and Cash Position Report for the period ending September 30, 2021, as presented.

Claims: Mr. Carroll reviewed the Claims Report with the Board. Discussion ensued regarding classification of expenses. Following review, upon a motion duly made by Director Herrington, seconded by Director Flemons and, upon vote, unanimously carried, the Board accepted the Claims, pending review by the District accountant to ensure proper expense classification.

Public Hearing on Proposed 2022 Budget: Upon a motion duly made by Director Flemons, seconded by Director Herrington and, upon vote, unanimously carried, the Board opened the public hearing at 1:13 p.m. It was noted that Notice stating that the Board would consider adoption of the 2022 budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing. No public comments were received, and the public hearing was closed.

Resolution Approving Proposed 2022 Budget, Certification of Mill Levy, and Appropriate Sums of Money: Mr. Carroll reviewed the proposed 2022 Budget with the Board. Discussion ensued. Following review and discussion, upon motion duly made by Director Herrington, seconded by Director Flemons and, upon vote, unanimously carried, the Board approved the 2022 Budget, as presented, and adopted the Resolution Approving Proposed 2022 Budget, Certification of Mill Levy, and Appropriate Sums of Money, as presented.

Public Hearing on Proposed 2021 Budget Amendment: Upon a motion duly made by Director Flemons, seconded by Director Herrington and, upon vote, unanimously carried, the Board opened the public hearing at 1:13 p.m. It was noted that publication of Notice stating that the Board would consider amendment of the 2021 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 the public hearing. No public comments were received, and the public hearing was closed.

RECORD OF PROCEEDINGS

Resolution Approving Proposed 2021 Budget Amendment and Appropriate Sums of Money: Mr. Carroll reviewed the proposed 2021 Budget Amendment with the Board, noting the following changes: General Fund changes are due to additional accounting and legal expenses, Debt Service Fund changes are due to the additional bond interest, and Capital Projects Fund changes are due to the issuance of bonds. Following review and discussion, upon a motion duly made by Director Herrington, seconded by Director Flemons and, upon vote, unanimously carried, the Board adopted the Resolution Approving Proposed 2021 Budget Amendment and Appropriate Sums of Money to increase the General Fund to \$75,000, the Debt Service Fund to \$24,434 and the Capital Projects Fund to \$8,000,300.

2020 Audit Exemption: Following review, upon a motion duly made by Director Herrington, seconded by Director Flemons and, upon vote, unanimously carried, the Board ratified the approval of the 2020 Audit Exemption.

Engagement Letter for 2021 Audit: Following review, upon a motion duly made by Director Flemons, seconded by Director Herrington and, upon vote, unanimously carried, the Board approved the Engagement Letter for the 2021 Audit, as presented.

Other: None.

MANAGER MATTERS

CliftonLarsonAllen LLP Master Service Agreement and Related Statements of Work: Following review, upon a motion duly made by Director Flemons, seconded by Director Herrington and, upon vote, unanimously carried, the Board approved the CliftonLarsonAllen LLP Master Service Agreement and related Statements of Work, subject to revisions to be negotiated by legal counsel.

Other: None.

LEGAL MATTERS

Annual Resolution: Attorney Ivey reviewed the Resolution with the Board. Following review, upon a motion duly made by Director Herrington, seconded by Director Flemons and, upon vote, unanimously carried, the Board adopted the Annual Resolution including the election of the following officers to the Board of Directors and regular meeting date/location:

President: Tracye L. Herrington
Treasurer: Jody Rowland
Secretary: Kacy Flemons

RECORD OF PROCEEDINGS

Thursday, December 1, 2022 at 1:00 p.m. via online Zoom Meeting.

2022 Regular Special District Election Resolution: Attorney Ivey reviewed the Resolution with the Board, noting that the Designated Election Official is identified as Megan M. Liesmaki at Icenogle Seaver Pogue, P.C. Following review, upon a motion duly made by Director Herrington, seconded by Director Flemons and, upon vote, unanimously carried, the Board adopted the 2022 Regular Special District Election Resolution.

2021 Legislation: Attorney Ivey reviewed the 2021 Legislative Memorandum with the Board, noting that the District's management is ensuring compliance with recent legislation that requires Metropolitan Districts to have websites in place by January 2023.

Status of Advance and Reimbursement and Facilities Acquisition Agreements (Operations, Maintenance, and Capital) and Status of District Funding: Attorney Ivey noted that the Agreements are drafted to provide a term of December 31, 2022 and an amount to correspond with actual budget numbers. Following review and discussion, upon a motion duly made by Director Herrington, seconded by Director Flemons and, upon vote, unanimously carried, the Board approved the Advance and Reimbursement and Facilities Acquisition Agreements, subject to review by LGI Homes' General Counsel.

Final Engineer's Report and Certification #1 prepared by Ranger Engineering, LLC: Following review, upon a motion duly made by Director Herrington, seconded by Director Flemons and, upon vote, unanimously carried, the Board accepted the Final Engineer's Report and Certification #1 prepared by Ranger Engineering, LLC, as presented.

Reimbursement under December 3, 2020 Advance and Reimbursement and Facilities Acquisition Agreement: Following review, upon a motion duly made by Director Herrington, seconded by Director Flemons and, upon vote, unanimously carried, the Board approved the Reimbursement under December 3, 2020 Advance and Reimbursement and Facilities Acquisition Agreement, as presented.

Requisition No. 1 from Project Fund, Limited Tax General Obligation Bonds, Series 2021A(3): Following review, upon a motion duly made by Director Herrington, seconded by Director Flemons and, upon vote, unanimously carried, the Board approved Requisition No. 1 from Project Fund, Limited Tax General Obligation Bonds, Series 2021A(3), as presented.

**BOARD MEMBER
ITEMS**

Other: None.

RECORD OF PROCEEDINGS

ADJOURNMENT

There being no further business, upon a motion duly made by Director Herrington, seconded by Director Flemons and, upon vote, unanimously carried, the Board adjourned the meeting at 1:42 p.m.

Respectfully submitted,

DocuSigned by:

Kacy Flemons

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Secretary for the Meeting