

MINUTES OF A JOINT SPECIAL MEETING OF THE  
BOARDS OF DIRECTORS OF PROMONTORY  
METROPOLITAN DISTRICT NOS. 1-3

Held: Thursday, July 22, 2021, at 1:00 p.m.

*The meeting was held via teleconference.*

**Attendance**

The meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors were in attendance:

Gene "JR" Osborne  
George R. Hanlon  
Donald Summers  
Jimmy Ogé

Director Gene A. Osborne was absent. All absences are deemed excused unless otherwise noted in these minutes.

Also present: Blair M. Dickhoner, Esq. and Carey S. Smith, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; Eric Weaver and Rick Gonzales, Marchetti & Weaver LLP, District Accountant; and Marc Spezialy, The Equinox Group.

**Call to Order/Declaration  
of Quorum**

It was noted that a quorum of the Boards was present and the meeting was called to order.

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of actions taken by the Districts in such meetings. Unless otherwise noted herein, all official actions reflected in these minutes are the actions of each of the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

**Conflict of Interest  
Disclosures**

Mr. Dickhoner advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Dickhoner reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Boards. Mr. Dickhoner inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to

otherwise enable the Boards to act.

**Agenda**

Mr. Dickhoner presented the Boards with the agenda for the meeting for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agenda as presented.

**Public Comment**

None.

**Consent Agenda**

Mr. Dickhoner advised the Boards that any item may be removed from the consent agenda to the regular agenda upon the request of any director. No items were requested to be removed from the consent agenda. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved, ratified and adopted:

- a. February 12, 2021 Special Meeting Minutes
- b. 2020 Annual Report
- c. Application for Exemption from 2020 Audit (District No. 2)
- d. Acceptance of Proposal Letter from MMI Water Engineers, LLC for Opinion of Value of Water Credits
- e. Letter Regarding Transaction-Based Informed Consent to Representation (District No. 1)

**Legal Matters**

Consider Approval of Raw Water Reimbursement Agreement between Equinox Development LLC and District No. 3

Mr. Dickhoner presented the Board of District No. 3 with the Raw Water Reimbursement Agreement between Equinox Development LLC and the District for consideration. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously approved the agreement.

Consider Approval of Resolution Regarding Acceptance of District Eligible Costs for Raw Water Reimbursement Agreement (District No. 3)

Mr. Dickhoner presented the Board of District No. 3 with the Resolution Regarding Acceptance of District Eligible Costs for Raw Water Reimbursement Agreement for consideration. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously adopted the resolution.

Consider Approval of Reimbursement Agreement (Off-Site Water Improvements) between Todd Creek Village Metropolitan District, ELG Investors, LLC and District No. 1

Mr. Dickhoner presented the Board of District No. 1 with the Reimbursement Agreement (Off-Site Water Improvements) between Todd Creek Village Metropolitan District, ELG Investors, LLC and the District. Following discussion, upon a motion duly made and seconded, the Board of District No. 1 unanimously approved the agreement subject to accountant's receipt of completion date and finalization by legal counsel as directed.

Discuss Update on Organizational Costs	The Boards engaged in general discussion regarding reimbursement of organizational costs. Messrs. Gonzales and Weaver indicated they would move forward with reimbursement of costs once oil and gas revenue is received.
Discuss Status of Reimbursement of Advance to District No. 1 from ELG Investors, LLC	The Boards engaged in discussion regarding the status of reimbursement advance to District No. 1 from ELG Investors, LLC.
<b>Construction Matters</b>	The Boards engaged in general discussion regarding the status of construction.
<b>Financial Matters</b>	<p data-bbox="630 735 1485 850">Mr. Weaver informed the Boards that there will be additional funds available in the capital projects fund after current capital costs are paid.</p> <p data-bbox="630 882 1485 1039">Mr. Gonzales discussed opening of a COLOTRUST Plus account for District Nos. 1 and 3. Following discussion, upon a motion duly made and seconded, the Boards of District No. 1 and District No. 3 unanimously approved opening their respective accounts.</p>
Discuss Process for Approval of Invoices	The Board determined no discussion was needed on this item.
Approval of Payables/Financials	<p data-bbox="630 1176 1485 1470">Messrs. Gonzales and Weaver presented the Boards with the June 30, 2021 Financial Statements. Following discussion, upon a motion duly made and seconded, the Boards unanimously accepted the financial statements. Messrs. Gonzales and Weaver presented the Board of District No. 1 with a list of claims payable as of July 20, 2021, totaling \$595,715.59. Following discussion, upon a motion duly made and seconded, the Board of District No. 1 approved the claims as presented.</p>
	<p data-bbox="630 1501 1485 1659">It was noted that District Nos. 1 and 3 would require an extension of the July 31<sup>st</sup> deadline to file 2020 Audit. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the request for extension.</p>
<b>Other Business</b>	Mr. Dickhoner discussed the process for declaring Inactive Status for District No. 2. No Board action taken.
Next Regular Meeting	The next regularly scheduled meeting is October 13, 2021.

Adjournment

There being no further business to come before the Boards, and following discussion and upon motion duly made, seconded, and unanimously carried, the Boards determined to adjourn the meeting.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

George R. Hanlon, Jr.  
George R. Hanlon, Jr. (Dec 17, 2021 11:11 MST)

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Secretary for the Meeting