

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE FALLBROOK METROPOLITAN DISTRICT HELD NOVEMBER 18, 2021

A Special Meeting of the Board of Directors of the Fallbrook Metropolitan District (referred to hereafter as “Board”) was duly held on Thursday, November 18, 2021, at 6:30 p.m. The District Board Meeting was held and properly noticed to be held by conference call without any individuals (neither district representatives nor the general public) attending in person. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Steven Slaughter

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Paula Williams, Esq.; McGeady Becher P.C.

Gigi Pangindian; CliftonLarsonAllen LLP (for a portion of the meeting)

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest:

Mr. Solin noted that a quorum was present and discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No disclosures were made, and it was noted that all Directors are residents of the District.

ADMINISTRATIVE MATTERS

Agenda: Mr. Solin distributed for the Board’s review and approval a proposed Agenda for the District’s Special Meeting.

Following discussion, upon motion duly made and seconded by Director Slaughter and, upon vote, unanimously carried, the Agenda was approved, as presented.

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Approval of Meeting Location: 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 conference call and encouraged public participation via telephone. The Board further noted that notice of the time, date, and location/manner of the meeting was duly posted and that the Board did not receive any objections to the conference call manner of the meeting, or any requests that the telephonic manner of the meeting be changed, by taxpaying electors within the District's boundaries.

Acknowledgement of Resignation: The Board acknowledged the resignation of Joshua Bastian from the Board of Directors, effective January 1, 2021.

Vacancies on the Board of Directors: The Board discussed the vacancies on the Board. There were no interested qualified candidates at this time.

Appointment of Officers: Following discussion, upon motion duly made and seconded by Director Slaughter, the following slate of officers were appointed for the District:

President/Treasurer: Steven J. Slaughter
Secretary: David Solin (not an elected position)

Minutes: The Board reviewed the minutes of the November 19, 2020 Special Meeting.

Following discussion, upon motion duly made and seconded by Director Slaughter and, upon vote, unanimously carried the Board approved the minutes of the November 19, 2020 Special Meeting, as presented.

Resolution 2021-11-01 Establishing 2022 Regular Meeting Dates, Times and Location and Designating Location for 24 Hour Notices: The Board discussed the Resolution No. 2021-11-01 Establishing 2022 Regular Meeting Dates, Times and Location and Designating Location for 24-Hour Notices.

Mr. Solin reviewed the business to be conducted in 2022 to meet the statutory compliance requirements. The Board determined to meet on June 16, 2022 and November 17, 2022 at 6:30 p.m. via teleconference.

Following discussion, upon motion duly made and seconded by Director Slaughter and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-01 Establishing 2022 Regular Meeting Dates, Times and Location and Designating Location for 24-Hour Notices. A copy of the resolution is attached hereto and incorporated herein.

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District Website: Mr. Solin updated the Board on the status of the District’s website, indicating that the Statewide Internet Portal (“SIPA”) was currently working on the District’s website. No additional action was taken by the Board at that time.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims as follows:

	Period Ending Dec. 09, 2020	Period Ending Jan. 13, 2021	Period Ending Feb. 10, 2021
General Fund	\$ 4,193.45	\$ 2,364.13	\$ 1,498.51
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 4,193.45	\$ 2,364.13	\$ 1,498.51

	Period Ending Mar. 23, 2021	Period Ending Apr. 23, 2021	Period Ending May 25, 2021
General Fund	\$ 3,107.96	\$ 6,170.08	\$ 1,372.35
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 3,107.96	\$ 6,170.08	\$ 1,372.35

	Period Ending June 22, 2021	Period Ending July 22, 2021	Period Ending Aug. 27, 2021
General Fund	\$ 3,282.18	\$ 1,355.06	\$ 4,652.52
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 3,282.18	\$ 1,355.06	\$ 4,652.52

Following discussion, upon motion duly made and seconded by Director Slaughter and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented. The Board deferred discussion of September and October 2021 claims.

Financial Statements: The Board deferred discussion.

2020 Audit: The Board reviewed the 2020 Audit.

Following discussion, upon motion duly made and seconded by Director Slaughter and, upon vote, unanimously carried, the Board ratified approval of the filing of the 2020 Audit.

2021 Audit: The Board deferred discussion.

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Early Optional Redemption Payment: Mr. Solin discussed with the Board the early optional redemption payment.

Following discussion, upon motion duly made and seconded by Director Slaughter and, upon vote, unanimously carried, the Board approved an Early Optional Redemption Payment, in the amounts of \$1,045,000 and \$40,000, over and above the \$40,000.00 limit. It was noted that \$1,045,000 will remove the full 2025 and 2026 maturities.

2021 Budget Amendment Hearing: The Board opened the public hearing to consider the Resolution to Amend the 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend 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 this public hearing. No public comments were received and the public hearing was closed.

Following review and discussion, upon motion duly made and seconded by Director Slaughter and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-02 to Amend the 2021 Budget, amending the Debt Service Fund to \$1,900,000. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2022 Budget Hearing: The President opened the public hearing to consider the proposed 2022 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2022 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 this public hearing. No public comments were received and the public hearing was closed.

Ms. Pangindian reviewed the estimated 2021 expenditures and the proposed 2022 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2021-11-03 to Adopt the 2022 Budget and Appropriate Sums of Money, and Resolution No. 2021-11-04 to Set Mill Levies, (for the General Fund at 2.333 mills and the Debt Service Fund at 40.000 mills), for a total mill levy of 42.333 mills, upon motion duly made and seconded by Director Slaughter and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-03, Resolution of the Board of Directors of the Fallbrook Metropolitan District to Adopt the 2022 Budget and Appropriate Sums of Money and Resolution No. 2021-11-04, Resolution of the Board of Directors of the Fallbrook Metropolitan

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District to Set Mill Levies were adopted, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2021. Mr. Solin was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Adams County, not later than December 15, 2021. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2022. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made and seconded by Director Slaughter and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Appointment of Special District Management Services, Inc. (“SDMS”) for Accounting Services: The Board discussed the appointment of Special District Management Services, Inc. for Accounting Services.

Following discussion, upon motion duly made and seconded by Director Slaughter and, upon vote, unanimously carried, the Board approved the appointment of SDMS to perform District Accounting Services, effective January 1, 2022.

Preparation of 2023 Budget: The Board entered into discussion regarding setting the date for a Public Hearing to adopt the 2023 Budget for November 17, 2022.

Following discussion, upon motion duly made and seconded by Director Slaughter and, upon vote, unanimously carried, the Board set the date for a Public Hearing to adopt the 2023 Budget for November 17, 2022 at 6:30 p.m. via teleconference. The Board also authorized the District Accountant to prepare the 2023 Budget.

LEGAL MATTERS

Resolution No. 2021-11-05 Calling May 3, 2022 Regular Election: The Board discussed Resolution No. 2021-11-05; Resolution Calling a Regular Election for Directors on May 3, 2022, appointing the Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

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Following discussion, upon motion duly made and seconded by Director Slaughter and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-05; Resolution Calling a Regular Election for Directors on May 3, 2022, appointing David Solin, as the DEO and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

§32-1-809, C.R.S. reporting requirements (Transparency Notice), mode of eligible elector notification: Mr. Solin discussed with the Board §32-1-809, C.R.S.; Transparency Notice reporting requirements and mode of eligible elector notification.

Following discussion, upon motion duly made and seconded by Director Slaughter and, upon vote, unanimously carried, the Board authorized staff to post the required Transparency Notice on the Special District Association website and District Website to meet the statutory requirement.

Transferring Funds to the HOA for Public Improvement Project Purposes: Attorney Williams discussed with the Board the transferring of funds to the HOA for Public Improvement Project Purposes in response to a letter received from the HOA requesting funding.

Following discussion, Mr. Solin was directed to get proposals for two projects and see what actual costs were.

Following further discussion, upon motion duly made and seconded by Director Slaughter and, upon vote, unanimously carried, the Board approved up to \$10,000 for projects, subject to final legal review.


OTHER MATTERS

There were no other matters.

ADJOURNMENT

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

Respectfully submitted,

By: 
Secretary for the Meeting