

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE FALLBROOK METROPOLITAN DISTRICT HELD JULY 22, 2019

A Regular Meeting of the Board of Directors of Fallbrook Metropolitan District (referred to hereafter as "Board") was convened on Monday, July 22, 2019, at 6:30 p.m., at Fire Station No. 5, 14051 Colorado Boulevard, Thornton, Colorado 80602. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Joshua Bastian
Steven Slaughter

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

GiGi Pangindian; CliftonLarsonAllen LLP

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. Solin noted that a quorum was present and 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. It was noted that all Directors' Disclosure Statements have been filed.

It was noted that Director Bastian is a Board Member on the Fallbrook Farms Homeowners Association and the Fallbrook Farms Patio Homes Association.

ADMINISTRATIVE MATTERS

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

RECORD OF PROCEEDINGS

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

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. Following discussion, and upon motion duly made by Director Slaughter, seconded by Director Bastian, and upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

Resignation and Appointment of District Secretary: The Board acknowledged the resignation of Lisa A. Jacoby as Secretary to the Board of Directors and considered the appointment of David Solin for same.

Following discussion, upon motion duly made by Director Slaughter, seconded by Director Bastian and, upon vote, unanimously carried, the Board appointed David Solin as Secretary to the Board of Directors.

HB 19-1087 – Local Public Meeting Notices Posted on Website: Mr. Solin reviewed with the Board new legislation regarding posting meeting notices and establishment of a website.

Proposals Regarding Creation of a District Website: The Board directed Mr. Solin to compare current posting costs to website creation and present the findings at the October regular meeting.

Adoption of Resolution Establishing District Website and Designating Location for Posting of 24-Hour Notices: The Board deferred discussion.

First Amendment to Resolution No. 2018-10-01, Establishing Regular Meeting Dates, Time and Location and Designating Locations for Posting of 72-Hour and 24-Hour Notices: The Board deferred discussion.

Minutes: The Board reviewed the minutes of the October 29, 2018 Regular Meeting.

Following discussion, upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, the Board approved the minutes of the October 29, 2018 Regular Meeting, as presented.

RECORD OF PROCEEDINGS

2019 SDA Conference in Keystone on September 18, 19, and 20: Mr. Solin discussed with the Board sending Board member(s) (and guest) to the 2019 SDA Conference in Keystone on September 18, 19, and 20.

Following discussion, upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, the Board authorized sending Board member(s) (and guest) to the 2019 SDA Conference in Keystone on September 18, 19, and 20.

FINANCIAL MATTERS

2018 Audit: Ms. Pangindian reviewed with the Board the 2018 draft Audited Financial Statements.

Following review and discussion, upon motion duly made by Director Slaughter, seconded by Director Bastian and, upon vote, unanimously carried, the Board approved the 2018 Audited Financial Statements, subject to legal review and authorized execution of the Representations Letter.

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

| | | | |
|---------------------|--------------------------------|---------------------------------|---------------------------------|
| | Period Ending Nov. 14, 2018 | Period Ending Dec. 12, 2018 | Period Ending Jan. 14, 2019 |
| General Fund | \$ 5,286.01 | \$ 1,943.75 | \$ 1,472.41 |
| Debt Service Fund | \$ -0- | \$ -0- | \$ -0- |
| Capital Fund | \$ -0- | \$ -0- | \$ -0- |
| Total Claims | \$ 5,286.01 | \$ 1,943.75 | \$ 1,472.41 |
| | Period Ending Feb. 15, 2019 | Period Ending March 11, 2019 | Period Ending April 11, 2019 |
| General Fund | \$ 1,709.19 | \$ 4,323.66 | \$ 3,068.05 |
| Debt Service Fund | \$ -0- | \$ -0- | \$ -0- |
| Capital Fund | \$ -0- | \$ -0- | \$ -0- |
| Total Claims | \$ 1,709.19 | \$ 4,323.66 | \$ 3,068.05 |
| | Period Ending May 15, 2019 | Period Ending June 11, 2019 | |
| General Fund | \$ 1,059.33 | \$ 2,911.60 | |
| Debt Service Fund | \$ -0- | \$ -0- | |
| Capital Fund | \$ -0- | \$ -0- | |
| Total Claims | \$ 1,059.33 | \$ 2,911.60 | |

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

RECORD OF PROCEEDINGS

The Board then considered the approval of the payment of claims through the period ending July 22, 2019, as follows:

| | |
|-------------------|---------------------------|
| General Fund | \$ 2,171.15 |
| Debt Service Fund | -0- |
| Total | <u>\$ 2,171.15</u> |

Following discussion, upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending July 22, 2019, as presented.

Financial Statements: Ms. Pangindian reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending May 31, 2019, and the Cash Position as of July 12, 2019.

Following discussion, upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending May 31, 2019, and the Cash Position as of July 12, 2019, as presented.

Principal Payment Cap: Mr. Solin discussed with the Board the Principal Payment Cap, and his communications with the Trustee that they would waive the cap.

2020 Budget Preparation: The Board entered into discussion regarding appointing the District Accountant to prepare the 2020 Budget and setting the date for a Public Hearing to adopt the 2020 Budget for October 28, 2019.

Following discussion, upon motion duly made by Director Slaughter, seconded by Director Bastian and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2020 Budget and set the date for a Public Hearing to adopt the 2020 Budget for October 28, 2019.

LEGAL MATTERS

There were no legal matters.

OTHER MATTERS

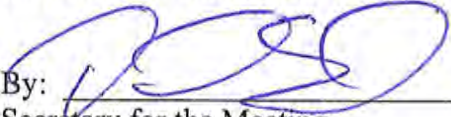
There were no other matters.

RECORD OF PROCEEDINGS

ADJOURNMENT

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

Respectfully submitted,

By: 
Secretary for the Meeting