

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF CASTLE OAKS METROPOLITAN DISTRICT NOS. 3

Held: Monday, November 5, 2018, at 9:00 a.m. at
385 Inverness Parkway, Suite 310, Englewood, Colorado.

Attendance

The meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the Board, were in attendance:

Craig Campbell
Christian Matt Janke
Tom Morton

All absences are deemed excused unless a contrary notation is recorded in these minutes.

Also present were: Casey K. Lekahal, Esq., White Bear Ankele Tanaka & Waldron, District General Counsel; and Sarah Hunsche, CliftonLarsonAllen, LLP, District Accountant.

Director Qualification

The directors in attendance confirmed their qualification to serve.

Call to Order

It was noted that a quorum of the Board was present, that the Directors had confirmed their qualification to serve, and therefore Director Campbell called the meeting to order.

Disclosure Matters

Mr. Lekahal advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Lekahal reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. Lekahal noted that a quorum was present and inquired into whether members of the Board 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 Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Approval of Agenda

Mr. Lekahal presented the agenda to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda as presented.

Public Comment

None.

Consent Agenda

The following items on the consent agenda were considered routine or administrative. Following a summary by Mr. Lekahal, the items on the consent agenda were approved by one motion duly made, seconded, and vote unanimously carried.

1. Approval of June 26, 2018 regular meeting minutes

Legal Matters

Annual Administrative Matters

Consider Adoption of 2019 Annual Administrative Resolution

Mr. Lekahal presented the Board with the 2019 Annual Administrative Resolution for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution.

Consider Ratification of 2017 Annual Report

Mr. Lekahal presented the Board with the 2017 Annual Report. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the report.

Consider Approval of Notice to Electors Pursuant to § 32-1-809, C.R.S.

Mr. Lekahal presented the Board with the Notice to Electors Pursuant to § 32-1-809, C.R.S. for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the notice, as amended.

Consider Renewal of Property and Liability Schedule and Limits, Workers Compensation Coverage, and SDA Membership

Mr. Lekahal presented the Board with the 2019 Property and Liability Schedule and Limits, and the 2019 Workers Compensation Renewal for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the coverage and authorized legal counsel to bind.

Consider Approval of Second Amendment and Extension of Amended and Restated Funding and Reimbursement Agreement (2019)

Mr. Lekahal presented the Board with the Second Amendment and Extension of Amended and Restated Funding and Reimbursement Agreement for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the amendment and extension.

Consider Approval of Engagement Letter with White Bear Ankele Tanaka & Waldron for Legal Services

Mr. Lekahal reviewed the Engagement Letter with White Bear Ankele Tanaka & Waldron with the Board. Mr. Lekahal noted specifically that the arbitration provision had been revised to make it clear that arbitration applies to this engagement letter as well as any prior engagement with the District. Mr. Lekahal

also noted and discussed the addition of the representative client list section. Mr. Lekahal stated that as he is not independent as to the engagement, the Board is advised to have separate legal counsel review the engagement letter. The Board declined to engage separate legal counsel to review the letter. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the engagement letter with White Bear Ankele Tanaka & Waldron for legal services.

Financial Matters

Financials/Payables

Ms. Hunsche presented the Board with the September 30, 2018 financials and claims payable for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the financials and ratified the claims in the amount of \$75,320.58.

Conduct Public Hearing on 2018 Budget Amendment and Consider Adoption of Resolution Amending 2018 Budget

Director Campbell opened the public hearing on the 2018 budget amendment. Mr. Lekahal noted that notice for the public hearing was made in accordance with the applicable Colorado statutes. No written objections were received prior to the public hearing. After no public comment was made, the public hearing was closed.

Following discussion, upon a motion a motion duly made and seconded, the Board determined to amend the 2018 General Fund from \$46,300 to \$75,000 and the Debt Service Fund from \$1,595,000 to \$1,602,000.

Conduct Public Hearing on 2019 Budget and Consider Adoption of Resolution Approving 2019 Budget

Director Campbell opened the public hearing on the 2019 budget. Mr. Lekahal noted that notice for the public hearing was made in accordance with the applicable Colorado statutes. No written objections were received prior to the public hearing. After no public comment was made, the public hearing was closed.

Ms. Hunsche presented the proposed 2019 budget to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the budget as presented, and certified 4.422 mills in the General Fund and 50.855 mills in the Debt Service Fund.

The Board directed legal counsel and the District's accountant to certify the District's mill levy by December 15, 2018, and to file the 2019 budget by January 30, 2019.

Consider Approval of
Engagement with Fiscal Focus
Partners, LLC, for 2018 Audit

Mr. Lekahal presented the Board with the Engagement Letter of Fiscal Focus Partners, LLC, to perform the 2018 Audit. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the engagement.

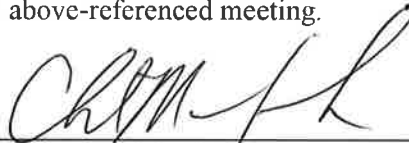
Other Business

None.

Adjournment

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

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



Secretary for the Meeting