

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
TALLYN'S REACH AUTHORITY
HELD
NOVEMBER 29, 2022

A special meeting of the Board of Directors of the Tallyn's Reach Authority, (referred to hereafter as the "Board") was convened on Tuesday, November 29, 2022, at 5:00 p.m. This special meeting was held at the Tallyn's Reach Clubhouse, 24900 E. Park Crescent Drive, Aurora, Colorado 80016 and via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors in Attendance for the Authority:

David Patterson, President, attending in person
BJ Pell, Vice-President/Assistant Secretary, attending in person
Harry Yosten, Treasurer
Mike Dell'Orfano, Assistant Secretary, attending in person
Brian Crandall, Assistant Secretary

Also in Attendance Were:

Blair Dickhoner, Esq.; White Bear Ankele Tanaka & Waldron ("WBA")
Celeste Terrell; CliftonLarsonAllen LLP ("CLA")
Nic Carlson; CliftonLarsonAllen LLP ("CLA") attending in person
Cameron Grant, Esq.; Lyons Gaddis Kahn Hall Jeffers Dworak & Grant, P.C.

Public in Attendance Were:

Collin Westerfield; Resident – 72536 S. Irvington Court
Amber Golden; Resident – 7023 S. Irvington Court
Eliza Hamrick; Resident – 6477 S. Jerico Way
Suzanne Marenva; Resident – 23408 E. Briarwood
Kim Fradette; Resident – 25292 E. Glasgow
Ann Fiala; Resident – 6986 S. Buchanan Court
Trevor Platt; Resident – 7674 S. Eaton Park Court
Steve McDonald; Resident – 2457 E. Frost Drive
Lisa Kvietek; Resident – 24965 E. Roxbury Place
Jack Weaver; Resident – 25047 E. Davies Drive
All residents listed above attended in person.

Brian Matise; Resident – 5378 S. Harvest Way
Jim & Katherine Felasco; Residents – 7283 S. Irvington Court
Celeste Tucker; Resident – 24409 E. Fremont Drive

RECORD OF PROCEEDINGS

Conrad Huygen; Resident – 25280 E. Ottawa Drive
Kelly Smith; Resident – 7417 S. Millbrook Street
Heather Spanerella; Resident – 6870 S. Elegante Court
All residents listed above attended virtually.

ADMINISTRATIVE MATTERS

Call to Order: Director Patterson called the meeting to order at 5:04 p.m.

Agenda: Following review and discussion, upon a motion duly made by Director Patterson, seconded by Director Pell and, upon vote, unanimously carried, the Board approved the Agenda, as presented.

Disclosures of Potential Conflicts of Interest: Attorney Dickhoner advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Attorney Dickhoner reported that disclosures for those directors that provided WBA with notice of 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. Attorney Dickhoner 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 participation of the members present was necessary to obtain quorum or to otherwise enable the Board to act.

Quorum: A quorum was confirmed for the meeting.

PUBLIC COMMENT

All members of the public in attendance expressed dissent with the potential mineral lease and one resident requested the Board delay their decision.

LEGAL MATTERS

Oil and Gas Lease with Axis Exploration LLC ("Axis"): The Board discussed the potential lease and directed questions to special and general counsel.

The Board received the information requested at the last meeting including data that Axis has already leased over 45% of the acreage involved which will, by Colorado law, allow it to go forward with a drilling permit request to the Colorado Oil and Gas Commission. A lease with the Authority would not affect its ability one way or the other to go forward with a drilling permit request.

RECORD OF PROCEEDINGS

Special counsel advised, and the Board discussed, the fact that the decision to sign or not sign the proposed lease is not determinative of whether drilling or fracking will take place. The permitting of drilling and fracking lies exclusively with the Colorado Oil and Gas Commission (“COOGC”), not with the Authority. The decision at this meeting is to determine how to be paid for the oil and gas rights which the Authority owns if, and only if, COOGC approves the permit for Axis.

If COOGC approves the permit, the Authority choices are to accept the terms of the negotiated lease with Axis, or to accept the terms of the Colorado Pooling laws. Special counsel advised the Board on the terms of the Colorado Pooling laws. The choice should be made before COOGC decides on the permit because if the permit is declined, then the proffered lease bonus payment would likely be withdrawn. The \$127,000 lease bonus payment however is non-refundable even if COOGC declines the drilling permit.

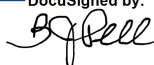
After discussion as to which method of payment was in the best interest of the Authority if the COOGC approves drilling, a motion was duly made by Director Yosten, Board Treasurer, seconded by Director Pell and, upon a vote of 3 to 2, with Directors Patterson and Dell’Orfano voting nay, the Board approved to sign the lease and accept the \$127,000 non-refundable bonus payment. Director Yosten had proposed at the earlier budget meeting that 90% of any mineral interest payments be posted to the Authority Capital Fund (the reserves), with 10% to the General Operating Fund.

The Board again recommended that residents who have concerns about drilling or fracking or pooling should attend the COOGC hearings when Axis requests permits for its drilling program.

ADJOURNMENT

There being no further business to come before the Board, the Board adjourned the meeting at 6:28 p.m.

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

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Secretary for the Meeting – Tallyn’s Reach Authority