

HFN, INC.**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS**

July 19th, 2021

A meeting of the Board of Directors (the "Board") of HFN, INC., a Washington corporation, was held on July 19th 2021, at 4:00pm (Pacific Daylight Time) in the conference room at the IHCA office.

Directors Present:

Allen Enebo, Charlie Herb, Frank Pineau, Howard Kapustein, David Ngai and Larry Norton

Also Present Were:

Jeremy Fallt, HFN General Manager and Ann Taylor, HFN Tax Accountant (first half only)

Directors Absent:

Tim Underwood

Call to Order

Jeremy Fallt called the meeting to order at 4:06pm (Pacific Daylight Time) and recorded the minutes. A quorum of directors was present, and the meeting, having been duly convened, was ready to proceed with business.

Approval of Minutes

The minutes for June will be sent out and approved via email.

New Accounting Strategy

Ann Taylor who recently replaced Jennifer Edson to perform year-end tax filings and provide tax strategy to HFN was present to go over proposed changes to HFN's tax strategy. Her findings included guidance provided by the IRS in 2015 with some safe harbor methods for accounting for all drop work. Ann's recommendation is to discontinue to utilize the WIP (Work In Progress) accounting, take bonus depreciation as it is available, and to expense 80% of drop costs according to the safe harbor methods provided. These changes will allow HFN to avoid any further tax burdens for 2021, and reduce the expected tax burden in 2022 as well, allowing HFN to operate more on a cash basis.

Motion to adopt made by Allen Enebo, Seconded by Howard Kapustein, and received unanimous approval from all present.

Managers Report

Jeremy sent out reports for June.

Branding Discussion

Allen provided an update from the branding committee on their progress in adopting a community wide brand. Further discussion will need to take place on what details Outmark will be providing, and how much work Outmark will perform for HFN going forward. Looking to get some cost quotes from Outmark to discuss at the next meeting.

Vetro Fiber Map

Shawn Sutter has been brought on as a contractor to Isofusion and will be inputting the physical plant into Vetro for HFN. Estimates of 80 hours a month for 9-10 months to get the work done. Will set up check points along the way to ensure that the project is on target to meet these estimates for time and \$.

August Meeting

The August meeting has been postponed to 8/23 to ensure quorum as many directors will be on vacation the week of 8/16.

Adjournment

There being no further business to come before the meeting, the meeting was adjourned at 5:10 pm (Pacific Daylight Time)

Respectfully submitted,

Jeremy Fallt, General Manager