

RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED REGULAR MEETING OF SOUTHSHORE METROPOLITAN DISTRICT NOS. 1 AND 2 HELD MAY 12, 2020

A Coordinated Regular Meeting of the Board of Directors of the Southshore Metropolitan District No. 1 (“**District No. 1**”) and the Board of Directors of Southshore Metropolitan District No. 2 (“**District No. 2**” and collectively, the “**Districts**”) on May 12, 2020 at 10:00 a.m. was held, due to public health concerns, by virtual attendance on Zoom at <https://us02web.zoom.us/j/88609735727>, (669) 900-9128 or (346) 248-7799 or (646) 558-8656 or (253) 215-8782 or (301) 715-8592 or (312) 626-6799.

ATTENDANCE

Directors in Attendance were:

Jerry B. Richmond, III, Chairman, **District Nos. 1 and 2**

P. Joseph Knopinski, Vice President/Secretary/Treasurer, **District No. 1**

Aaron L. Clutter, Vice President/Assistant Secretary/Treasurer, **District No. 1** **arrival and departure where noted*

Kurtis W. Williams, Vice President and Assistant Secretary/Treasurer, **District No. 1** **departure where noted*

Brock Chapman, Vice President and Assistant Secretary/Treasurer, **District No. 1**

Nathan Fogg, **District No. 2** ** arrival and departure where noted*

Nathan Kennedy, **District No. 2** **arrival and departure where noted*

Kevin Stadler, **District No. 2**

Ross Garrett, **District No. 2**

Absent (excused):

None.

Also in Attendance were:

Cathy Hamilton of Simmons & Wheeler

David A. Greher of Collins Cockrel & Cole (“**CCC**”)

Sarah H. Luetjen of CCC

Astrid Storey, Southshore Homeowners’ Association

CONFLICTS OF
INTEREST

Chairman Richmond disclosed that he is an employee of RainTree Investment Corporation (“**RainTree**”), which is the exclusive agent for Paulson Property Management, LLC (“**Paulson**”), which has significant ownership and/or investment interests in the property within the Districts through its subsidiary Southshore Recovery Acquisition, LLC (“**SSRA, LLC**”), and further disclosed that he is the Secretary of the Southshore Master Association, Inc., the homeowners association for the community within the Districts’ boundaries.

Director Knopinski disclosed that he provides consulting services to SSRA, LLC.

Directors Clutter and Williams disclosed that they are officers and employees of J.R. Engineering, LLC (“**JR Engineering**”), which is a consultant of SSRA, LLC and which have entered into a Construction and Management Services Agreement with District No. 1. Directors Clutter and Williams further stated that input in matters related to the requisition of project funds from the proceeds of bonds issued by District No. 1 to pay JR Engineering for services performed under the Construction Management Contract, to be discussed later in this meeting, represents a conflict of interest but their participation is necessary to obtain a quorum.

All Directors present stated that their participation in the meeting was necessary to obtain a quorum of the Board or otherwise enable the Board to act; that written disclosures of such potential conflicts of interest had been filed with the Board and the Secretary of State in accordance with statutory requirements; and that the nature of their private interests related to employment relationships as set forth above.

After each Director had summarily stated for the record the fact and nature of his private interests and had further stated that the determination to participate in voting or take any other action on any contract or other matter in which he may have a private interest would be made in compliance with Section 24-18-201(1)(b)(V), C.R.S., on an ad hoc basis, the Board turned its attention to the agenda items.

All disclosures of potential conflict of interest statements previously filed are deemed continuing for all purposes and are incorporated into the record of the meeting.

NOTICE

Mr. Greher stated that Notice had been properly posted at least 24-hours prior to the meeting on the Districts' website. Mr. Greher confirmed that such Notice was also placed at the entrance of the Lakehouse and sent to the City of Aurora Clerk. The certification of posting is attached hereto. The notice also included the agenda items.

APRIL 28, 2020
MINUTES

The Boards of District Nos. 1 and 2 considered the Minutes of the April 28, 2020 Coordinated Regular Board meeting. After discussion and upon motion duly made, seconded and unanimously carried, the Minutes of District Nos. 1 and 2 Joint Board meeting were approved as presented.

DISTRICT NO. 1
MAY 5, 2020
ELECTION
UPDATE AND
ELECTION OF
OFFICERS

Mr. Greher advised the Board that at the close of business on March 3, 2020, there were not more candidates for Director than offices to be filled on the Board of the District; therefore, as authorized by the Resolution Calling for the Election, the designated election official canceled the election and the following candidates were declared elected for the following terms:

Aaron L. Clutter for a three-year term expiring in 2023 and

Paul J. Knopinski for a three-year term expiring in 2023.

Mr. Greher further advised the Board that each term of office for Directors Clutter and Knopinski have begun after the May 5, 2020 election date. The new oaths of office were administered and filed with the appropriate agencies.

Following discussion, upon motion duly made, seconded and unanimously carried, the Board elected the officers to the Board as follows:

Jerry Richmond, III – Chairman

P. Joseph Knopinski – Vice President/Secretary/Treasurer

Aaron Clutter – Vice President/Assistant Secretary/Treasurer

Kurtis Williams – Vice President/Assistant Secretary/Treasurer

Brock Chapman – Vice

President/Assistant/Secretary/Treasurer

PUBLIC
COMMENT

None.

COLORADO
OPEN RECORDS
ACT DOCUMENT
REQUEST FORM

** Director Kennedy then joined the meeting.*

Director Stadler of District No. 2 discussed the removal of document request fees. Mr. Greher noted that the statute sets the fee. The directors of each District then discussed options to waive fees.

**Director Fogg then temporarily left the meeting*

UPDATED
RESOLUTIONS
ADOPTING
CORA POLICY

**Director Fogg then joined the meeting.*

Mr. Greher discussed the Open Records Act and statutory requirements with the Board of each District at length. Upon motion duly made, seconded and unanimously approved, the Board of each District adopted the Resolution Designating the Official Custodian of Records and Adopting a Policy on Responding to Open Records Requests, copies of which are attached hereto.

DISTRICT NO. 2
MAY 5, 2020
ELECTION
RESULTS AND
ELECTION OF
OFFICERS

Mr. Greher reported on the results of the May 5, 2020 Regular Director Election of District No. 2; the following Directors were elected:

Kevin J. Stadler for a three-year term expiring in 2023;

Nathan Kennedy for a three-year term expiring in 2023; and

Ross Garrett for a three-year term expiring in 2023.

Ms. Luetjen has filed the Certification of Election Results with the Division of Local Government.

Mr. Greher further advised the Board that each term of office for Directors Stadler, Kennedy and Garrett have begun after the May 5, 2020 election date. The new oaths of office had been administered

and filed with the appropriate agencies.

Following discussion, upon motion duly made, seconded and unanimously carried, the Board elected the officers to the Board as follows:

Jerry Richmond, III – Chairman

Kevin J. Stadler – Vice President/Secretary

Nathan D. Fogg – Vice President/Treasurer

Nathan Kennedy – Vice President/Assistant

Secretary/Treasurer

Ross Garrett – Director

STATUS REPORT

Chairman Richmond updated the Board on current activities and discussed the following:

New homes are being constructed in Phase 2, east of Ridgeline Place. There are about twenty-four residents. RAH and Toll are closing two to three homes per week. Waner began full construction. Unexploded Ordinance (UXO) clearance is currently taking place. UXO clearance is required to ensure there are no unexploded ammunition remaining from the previous shooting range, before homebuilding begins. The last 330 lots in Southshore will be sold to the builder once the clearance has been completed. There has been vandalism on construction sites. The District will not oversee security, and will need to rely on the builders. Chairman Richmond is working with the builders to consider security and lighting to prevent any further vandalizing. Mr. Richmond is asking that the builders fund this installation. Once the Recreation Center construction begins, Chairman Richmond will ask Waner to install surveillance cameras.

ACCOUNTANTS
REPORT

Ms. Hamilton reviewed the financials with the Board of each District. She then presented a list of checks to ratify and invoices to be approved.

Following discussion, motions were made, seconded and unanimously

carried, the Board of District No. 1 (a) approved and confirmed the disbursements as presented and (b) approved the checks.

**Director Fogg then temporarily left the meeting.*

**Director Kennedy then temporarily left the meeting.*

REQUISITION
NO. 1

At the April 28, 2020 meeting the Boards approved Requisition No. 1 by joint resolution acknowledging the reimbursement request. Pursuant to that resolution, Ms. Hamilton presented to the Board of District No. 1 Requisition No. 1, which Mr. Greher forwarded by email to all Directors of both Districts, for payment under the Series 2020A-1, Series 2020A-2, and Series 2020B Bonds, in the amount of \$5,857,469.65 payable to Southshore Recovery Acquisition, LLC.

Following discussion, a motion was made and seconded, and the Board of District No. 1 approved the Requisition as presented.

REQUISITION
NO. 7

Ms. Hamilton presented to the Board of District No. 1 Requisition No. 7 for payment under the Metro District Escrow Improvements Agreement, in the amount of \$756,941.78 payable to the following parties in the correspondence amounts:

- JR Engineering, LLC - \$24,825.00
- CMS Environmental Solutions, LLC. - \$3,055.00
- Hudick Excavating, Inc. - \$445,137.58
- Environmental Landworks Company, Inc. - \$69,482.95
- Environmental Landworks Company, Inc. – 1,962.85
- Earnweald Consulting Services, LLC - \$8,125.00
- Powell Restoration, Inc. - \$9,071.00
- ESCO Construction - \$195,282.40

Following discussion, a motion was made and seconded, and the Board of District No. 1 approved the Requisition as presented.

RESOLUTION
ACCEPTING
ENGINEER
REPORT AND
REQUESTING
REQUISITION
No. 7

Following discussion, a motion was made, seconded and unanimously carried, the Board ratified the Resolution of District No. 1 Requesting District No. 2 to Approve Requisitions, a copy of which is attached hereto and incorporated herein by this reference.

REQUISITION
REQUESTS FOR
DISTRICT NO. 1

Following discussion, a motion was made, seconded and unanimously carried, the Board approved the Resolution of District No. 2 Requesting District No. 1 to Approve Requisition Nos. 4-7 and 34, in the aggregate amount of approximately \$1,107,226.26.

2019 AUDIT

This item was tabled to the next scheduled meeting.

LANDSCAPING
CONTRACT WITH
ELCI

Chair Richmond discussed the various bids received to complete the Recreation Center landscaping. Chair Richmond then stated that the award went to ELCI as they were the lowest bid received and they are currently working on Filing No. 14. The Recreation Center project will have a separate team and project manager than the Filing No. 14 project. Chairman Richmond discussed the Landscaping Contract with Environmental Landworks Company, Inc. at length. ELCI submitted the lowest bid and is already on site working on a separate project.

**Director Kennedy then joined the meeting.*

DIRECTOR
COMPENSATION

After discussion and upon motion duly made, seconded and unanimously carried, the Board of each District moved to waive Director compensation.

DISTRICT NO. 2
MEETING DATES

The Board of District No. 2 then discussed the remaining meeting dates in 2020. After discussion and upon motion duly made,

seconded and unanimously carried, the Board of District No. 2 moved to hold regular District meetings on the first Tuesday of each month at 10:30 a.m. beginning June 9, 2020.

**Director Williams then left the meeting.*

MEETING
CONTINUED

After discussion and upon motion duly made, seconded and unanimously carried, the Board of each District at 12:30 p.m. continued the meeting to 1:00 p.m. on May 12, 2020.

EXECUTIVE
SESSION

After 1:00 p.m., the Board reconvened and the Board of District No. 2 moved that the regular meeting be temporarily adjourned and that the Boards of both Districts reconvene in Executive Session pursuant to Section 24-6-402(4)(b), C.R.S., to confer with District counsel for the purposes of receiving legal advice regarding the Sunshine Law, Open Records Act, district expenditures, and related issues. The Board temporarily adjourned the regular meeting at 1:03 p.m. and reconvened in Executive Session.

The Board then reconvened in regular session at 2:00 p.m.

OTHER
MATTERS

Mr. Greher discussed a formal policy to create a notification list for people who wish to attend public meetings. After further discussion and upon motion duly made, seconded and unanimously carried, the Board of each District adopted a formal policy to create a notification list for people who wish to attend public meetings.

The Boards then discussed the retention of Collins Cockrel & Cole, P.C. as general counsel. Chairman Richmond and Director Kennedy discussed their satisfaction in current counsel. Director Fogg also noted that he appreciates the work of the District's attorney and of the Firm in general as he has worked with other attorneys of the Firm on other projects. After further discussion, and upon motion duly made, seconded and opposed by Director Garrett, the motion carried by a vote of 4-1.

ADJOURNMENT

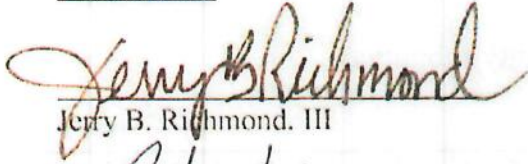
There being no other matters to come before the Board, the meeting was adjourned.

Respectfully submitted,



David A. Greher, Secretary for the Meeting

APPROVED



Jerry B. Richmond, III


P. Joseph Knopinski


Aaron L. Clutter

Kurtis W. Williams

Brock Chapman

Nathan Fogg

Nathan Kennedy


Kevin Stadler

Ross Garrett