

## RECORD OF PROCEEDINGS

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### MINUTES OF THE REGULAR MEETING OF SOUTHSHORE METROPOLITAN DISTRICT NO. 2 HELD MAY 14, 2019

A Regular Meeting of the Board of Directors (the “**Board**”) of the Southshore Metropolitan District No. 2 (the “**District**”) was held at 304 Inverness Way South, Suite 490, Englewood, Colorado, on May 14, 2019 at 10:45 a.m.

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#### ATTENDANCE

##### Directors in Attendance were:

Jerry B. Richmond, III, Chairman  
P. Joseph Knopinski, Vice President and Secretary/Treasurer  
Aaron L. Clutter, Vice President and Assistant Secretary/Treasurer  
Nathan D. Fogg, Vice President and Assistant Secretary/Treasurer  
Nathan Kennedy, Vice President and Assistant Secretary/Assistant  
Treasurer

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##### Absent (excused):

None.

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##### Also in Attendance were:

Cathy Hamilton of Simmons & Wheeler  
David A. Greher of Collins Cockrel & Cole  
Kurtis Williams, Board member of District No. 1

#### 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 District 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 District's boundaries.

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

Director Clutter disclosed that he is an officer and employee 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 the District. Director Clutter further stated that input in matters related to the requisition of project funds from the proceeds of bonds issued by the District 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 his 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.

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#### NOTICE

Mr. Greher stated that Notice had been properly posted at least 72 hours prior to the meeting in three public locations within the District's boundaries, including the District's designated posting location. Mr. Greher also confirmed that such Notice was sent to the Arapahoe County Clerk and Recorder for posting. The certification of posting is attached hereto. The notice also included the agenda items.

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MINUTES

The Board then considered the Minutes of the February 12, 2019 regular Board meeting. After discussion and upon motion duly made, seconded and unanimously carried, the Minutes of the February 12, 2019 Board meeting were approved as presented.

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POSTING  
LOCATION

Pursuant to Section 24-6-402(2)(c), C.R.S., the Board considered the Resolution Designating Location to Post Notice at least 24 hours prior to each meeting. Upon motion duly made, seconded and unanimously carried, the Board adopted such Resolution, a copy of which is attached hereto and incorporated herein by this reference.

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FIRST  
AMENDMENT TO  
METRO DISTRICT  
IMPROVEMENTS  
AGREEMENT

Mr. Greher discussed the First Amendment to Metro District Improvements Agreement for Filing Nos. 16 and 17 and the need to amend the original agreement to expressly authorize the payment of Excel Energy funds that were not adequately covered by the original agreement. Following further discussion, a motion was made, seconded and unanimously carried, the Board ratified the First Amendment to Metro District Improvements Agreement.

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STATUS REPORT

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

The utilities are going in. RAH is close to paving their south piece. All earthwork has been essentially completed. William Lyon Homes is in the process of buying the lots along the ridge line. There are 333 lots left to be sold; those lots are going through entitlement process; one builder has the letters of intent ready and two others are considering submitting letters of intent. The Recreation Center is being submitted for bid today. Grading and sub-excavating should occur in July and construction will begin in January.

SSRA has asked about how far to fund the Recreation Center before District No. 2 issues the debt. The 2015 Bonds are not callable until September of 2020. The construction schedule is approximately 54 weeks. JR Engineering is working on cash flow reports to get the project moving with some of the 2017 Bond money and then obtain a SSRA advance periodically as needed. The attorneys will discuss

how to structure the distribution which will then be discussed with the Board at the August Board Meeting: \$27 million results in maximum of \$22 million of net proceeds. An early issuance would reduce the net proceeds. SSRA has recognized this would come out of SSRA reimbursables (as not to reduce Recreation Center plans).

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#### 2018 AUDIT

Ms. Hamilton presented the 2018 draft Audit to the Board. Mr. Greher will need to review and provide comment on the draft Audit. Upon motion duly made, seconded and unanimously carried, the Board accepted the Audit, subject to legal counsel and accountant's final review.

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#### ACCOUNTANT'S REPORT

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

Following discussion, a motion was made, seconded and unanimously carried, the Board approved and confirmed the disbursements as presented.

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#### 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. 18 to 21, in the aggregate amount of approximately \$474,905.81.

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. 51 to 53, in the aggregate amount of approximately \$32,252.00.

Mr. Greher noted that Requisition Nos. 1 & 2, under the Metro District Escrow Improvements Agreement, in the aggregate amount of \$752,588.14 payable to Excel Energy, do not require Board action because the funds are not being paid to the District. This item has been tabled.

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#### OTHER MATTERS


None.

ADJOURNMENT

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There being no other matters to come before the Board, the meeting was adjourned at 11:35 a.m.

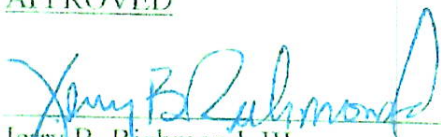
Respectfully submitted,



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David A. Greher, Secretary for the Meeting

APPROVED

  
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Jerry B. Richmond, III

  
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P. Joseph Knopinski

  
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Aaron L. Clutter

  
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Nathan D. Fogg

  
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Nathan Kennedy

**AGENDA**  
**OF REGULAR MEETING OF**  
**SOUTHSORE METROPOLITAN DISTRICT NO. 2**

Time: Tuesday, May 14, 2019, 10:45 a.m.

Location: Simmons & Wheeler, P.C.  
304 Inverness Way South, Suite 490  
Englewood, CO 80112

1. Disclosures of any potential conflicts of interest.
2. Approval of Minutes of February 12, 2019 Regular Meeting.
3. Consider adoption of Resolution Designating Posting Location.
4. Ratify Amendment to Metro District Improvement Agreement.
5. Status report by Board Chairman.
6. Review 2018 audited financial statements.
7. Accountant's Report and review and consideration of District construction and operating expenditures.
8. Public Hearing on 2018 Budget Amendment; adopt Resolution to Amend 2018 Budget.
9. Review Requisition requests from District No. 1, including specifically for Requisition Nos. 18 to 21 (2017 Bonds), in the aggregate amount of approximately \$474,905.81 and adopt Resolution Accepting Requests to Requisition of Funds.
10. Review Requisition requests from District No. 1, including specifically for Requisition Nos. 51 to 53 (2015 Bonds), in the aggregate amount of approximately \$32,252.00 and adopt Resolution Accepting Requests to Requisition of Funds.
11. Review Requisition requests from District No. 1, including specifically for Requisition Nos. 1 to 2 (Metro District Improvements Escrow Agreement), in the aggregate amount of approximately \$752,588.14 and adopt Resolution Accepting Requests to Requisition of Funds.
12. Any other matter that may come before the Board.


This meeting is open to the public.

SOUTHSORE  
METROPOLITAN DISTRICT NO. 2

By /s/ Jerry B. Richmond, III

Jerry B. Richmond, III, Chairman

I hereby certify that a copy of the foregoing Agenda of Regular Meeting of Southshore Metropolitan District No. 2 was, by me personally, posted in at least one location within the District's boundaries at least 24 hours prior to the meeting.

 5/10/19  
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MONICA MAYMI



**RESOLUTION DESIGNATING LOCATION TO POST NOTICE  
SOUTHSHORE METROPOLITAN DISTRICT NO. 2**

WHEREAS, Special Districts are required by Subsection 24-6-402(2)(c), C.R.S., to designate annually at the District Board's first regular meeting of each calendar year, the place at which notice will be posted at least 24 hours prior to each meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHSHORE METROPOLITAN DISTRICT NO. 2 AS FOLLOWS:

1. Notices of meetings of Southshore Metropolitan District No. 2 Board of Directors required pursuant to Section 24-6-401, et seq., C.R.S., shall be posted within the boundaries of the District at the following location at least 24 hours prior to each meeting: at the clubhouse at 27151 E. Lakeview Drive, Aurora, Colorado 80016.

2. Notices of regular or special meetings required to be posted at three public places within the District and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting shall continue to be made pursuant to Section 32-1-903(2), C.R.S.

Adopted this 14<sup>th</sup> day of May, 2019.

SOUTHSHORE METROPOLITAN  
DISTRICT NO. 2

By:   
Chairman

ATTEST:

By:   
Secretary