

# RECORD OF PROCEEDINGS

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## MINUTES OF THE CONTINUED REGULAR MEETING OF SOUTHSHORE METROPOLITAN DISTRICT NO. 2 HELD NOVEMBER 20, 2019

A Continued 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 November 20, 2019 at 10:00 a.m.

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### ATTENDANCE

#### Directors in Attendance were:

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

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#### Absent (excused):

Aaron L. Clutter

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#### Also in Attendance were:

Cathy Hamilton of Simmons & Wheeler  
David A. Greher of Collins Cockrel & Cole

### 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.

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 24-hours prior to the meeting on the District's public website. 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 September 10, 2019 special Board meeting and November 12, 2019 regular Board meeting (at which meeting the Board continued its agenda to the current meeting). After discussion and upon motion duly made, seconded and unanimously carried, the Minutes of each Board meeting were approved as presented.

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STATUS REPORT

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

Century is no longer under contract for next sets of lots and it is unclear if they will go back under contract.

There are ninety acres in Filing 19. It is the only area not cleared from Unexploded Ordinance (UXO). It is located in the far southeast corner, east of the school. Any type of excavation below five feet requires clearance before commencing work. The Recreation Center site has been graded.

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2019 BOND  
STATUS

Mr. Greher provided a quick update on bond structuring issues.

Chairman Richmond noted that he and Director Knopinski have talked with Piper Jaffray, a possible Municipal Advisor candidate. It is possible they could wait until late 2020 to refund all outstanding bonds.

Mr. Greher is hoping that the Bond discussion progresses next week. A special meeting to approve the Bonds will be held in the coming weeks.

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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. 26 to 29, in the aggregate amount of approximately \$1,042,888.19.

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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 No. 54, in the amount of approximately \$1,290.46.

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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 No. 3, in the aggregate amount of approximately \$839,718.49.

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PUBLIC HEARING  
ON 2019 BUDGET  
AMENDMENT

Mr. Greher opened the public hearing on the 2019 budget amendment for District No. 2, notice of which had been published in accordance with the Local Government Budget Law. No members of the general public appeared in person or otherwise registered any objections or offered any modifications to the amended 2019 budget. The public hearing was closed.

Ms. Hamilton stated without issuance of Bonds in 2019, no budget amendment is needed at this time.

The amendment of the 2019 budget was tabled.

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PUBLIC HEARING  
ON ADOPTION OF  
2020 BUDGET

Mr. Greher opened the public hearing on the 2020 budget adoption for District No. 2, notice of which had been published in accordance with the Local Government Budget Law. No members of the general public appeared in person or otherwise registered any objections or offered any modifications to the proposed 2020 budget. The public hearing was closed.

Ms. Hamilton reviewed the budget for District No. 2 and the Board discussed.

Upon motion duly made, seconded and unanimously carried, the Board approved the budget, and adopted the Resolution to Adopt Budget and Appropriate Funds, a copy of which is attached hereto.

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UPDATED CORA  
POLICY  
RESOLUTION

Mr. Greher discussed a recent amendment to the Open Records Act. The revision raises the research and retrieval fee from \$30.00 to \$33.58 per hour, with adjustments to be made in the future according to statute.

Upon motion duly made, seconded and unanimously approved, the Board adopted the Resolution Designating the Official Custodian of Records and Adopting a Policy on Responding to Open Records

UPDATED CORA  
POLICY  
RESOLUTION

Mr. Greher discussed a recent amendment to the Open Records Act. The revision raises the research and retrieval fee from \$30.00 to \$33.58 per hour, with adjustments to be made in the future according to statute.

Upon motion duly made, seconded and unanimously approved, the Board adopted the Resolution Designating the Official Custodian of Records and Adopting a Policy on Responding to Open Records Requests, and directed legal counsel to post the policy on the District's transparency notices.

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RESOLUTION  
CALLING MAY  
2020 ELECTION

Mr. Greher reviewed the May 2020 Election Resolution for the District's regular biennial election in May 2020 and discussed the board members' terms. After discussion and upon motion duly made, seconded and unanimously carried, the Board approved the Election Resolution, a copy of which is attached hereto and incorporated herein by reference.

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AMENDED AND  
RESTATED  
BYLAWS

Mr. Greher presented the Amended and Restated Bylaws. After discussion and upon motion duly made, seconded and unanimously carried, the Board approved the Amended and Restated Bylaws, a copy of which is attached hereto and incorporated herein by reference.

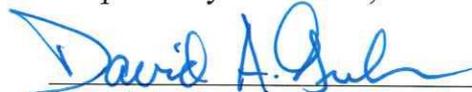
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ADJOURNMENT

There being no other matters to come before the Board, the meeting was adjourned at approximately 11:25 a.m.

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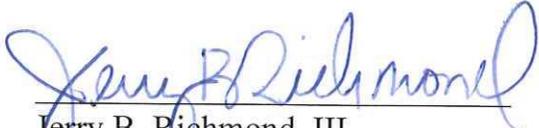
Respectfully submitted,

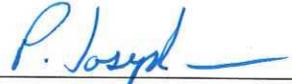


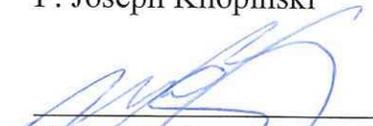
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David A. Greher, Secretary for the Meeting

APPROVED

  
\_\_\_\_\_  
Jerry B. Richmond, III

  
\_\_\_\_\_  
P. Joseph Knopinski

  
\_\_\_\_\_  
Nathan D. Fogg

  
\_\_\_\_\_  
Nathan Kennedy

**AGENDA**  
**OF CONTINUED REGULAR MEETING OF**  
**SOUTHSHORE METROPOLITAN DISTRICT NO. 2**

Time: Wednesday, November 20, 2019, 10:00 a.m., continued from  
Tuesday, November 12, 2019 at 10:00 a.m.

Location: Simmons & Wheeler, PC  
304 Inverness Way South, Suite 490  
Englewood, CO 80112

1. Disclosures of any potential conflicts of interest.
2. Approval of Minutes of September 10, 2019 Special Meeting and November 12, 2019 Regular Meeting.
3. Status report by Board Chairman.
4. Discuss Status of 2019 Bonds.
5. Accountant's Report and review and consideration of District construction and operating expenditures.
6. Review Requisition requests from District No. 1, including specifically for Requisition Nos. 26 to 29 (2017 Bonds), in the aggregate amount of approximately \$1,042,888.19 and adopt Resolution Accepting Requests to Requisition of Funds.
7. Review Requisition requests from District No. 1, including specifically for Requisition No. 54 (2015 Bonds), in the amount of approximately \$1,290.46 and adopt Resolution Accepting Requests to Requisition of Funds.
8. Review Requisition requests from District No. 1, including specifically for Requisition No. 1 (Metro District Improvements Escrow Agreement), in the amount of approximately \$839,718.49 and adopt Resolution Accepting Requests to Requisition of Funds.
9. Public Hearing on 2019 Budget Amendment; adopt Resolution to Amend 2019 Budget.
10. Public Hearing on 2020 Budget; and consideration of Resolution to Approve Budget, Certify Tax Levies and Appropriate Funds.
11. Adoption of updated CORA Policy Resolution.
12. Adoption of Resolution Calling May 2020 Election.
13. Adoption of Amended and Restated Bylaws.
14. Any other matter that may come before the Board.

This meeting is open to the public.

SOUTHSHORE  
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 on the District's website at least 24 hours prior to the meeting.

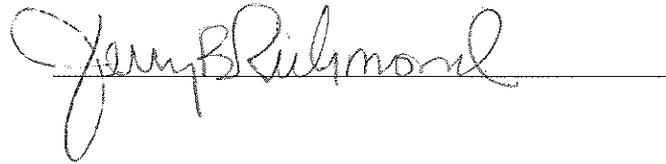
*Katia Christopher* \_\_\_\_\_

**CERTIFICATION OF BUDGET**

TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for Southshore Metropolitan District No. 2, for the budget year ending December 31, 2020, as adopted on November 20, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Southshore Metropolitan District No. 2, Arapahoe County, Colorado, this 20<sup>th</sup> day of November, 2019.

A handwritten signature in cursive script, reading "Jay B. Richmond", is written over a horizontal line.

(SEAL)

**SOUTHSHORE METROPOLITAN DISTRICT NO. 2**  
**2020**  
**BUDGET MESSAGE**

Attached please find a copy of the adopted 2020 budget for the Southshore Metropolitan District No. 2.

The Southshore Metropolitan District No. 2 has adopted three funds, a General Fund to provide for transfers to Southshore Metropolitan District No. 1 to be used for the payment of operating and maintenance expenditures; a Capital Projects Fund to provide for transfers to Southshore Metropolitan District No. 1 to be used for the estimated infrastructure costs that are to be built for the benefit of the District, and a transfer to the Debt Service Fund; and a Debt Service Fund to provide for payments on the general obligation bonds.

The District's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenue for the District in 2020 will be property taxes, specific ownership taxes, system development fees and bond proceeds. The District intends to impose a 57.891 mill levy on the property within the District in 2020, of which 2.227 mills will be dedicated to the General Fund and the balance of 55.664 mills will be allocated to the Debt Service Fund.

**Southshore Metropolitan District No. 2**  
**Adopted Budget**  
**General Fund**  
**For the Year ended December 31, 2020**

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>6/30/2019</u>	Estimated <u>2019</u>	Adopted Budget <u>2020</u>
Beginning fund balance	\$ 39,854	\$ -	\$ 37,610	\$ 37,610	\$ 120,830
Revenues:					
Property taxes	54,554	63,869	63,565	63,869	114,004
Specific ownership taxes	100,300	95,861	61,536	95,861	176,949
Interest income	8,298	3,500	3,191	3,500	3,500
Total revenues	<u>163,152</u>	<u>163,230</u>	<u>128,292</u>	<u>163,230</u>	<u>294,453</u>
Total funds available	<u>203,006</u>	<u>163,230</u>	<u>165,902</u>	<u>200,840</u>	<u>415,283</u>
Expenditures:					
Miscellaneous	164	94	-	100	94
Treasurer fees	818	958	954	958	1,711
Transfer to District No. 1	164,414	162,146	42,094	78,952	413,424
Emergency reserve (3%)	-	32	-	-	54
Total expenditures	<u>165,396</u>	<u>163,230</u>	<u>43,048</u>	<u>80,010</u>	<u>415,283</u>
Ending fund balance	<u>\$ 37,610</u>	<u>\$ -</u>	<u>\$ 122,854</u>	<u>\$ 120,830</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 28,049,450</u>			<u>\$ 51,191,803</u>
Mill Levy		<u>2.277</u>			<u>2.227</u>

**Southshore Metropolitan District No. 2**  
**Adopted Budget**  
**Capital Projects Fund**  
**For the Year ended December 31, 2020**

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>6/30/2019</u>	Estimated <u>2019</u>	Adopted Budget <u>2020</u>
Beginning fund balance	\$ 9,017,667	\$ -	\$ 4,252,389	\$ 4,252,389	\$ -
Revenues:					
Interest income	120,165	20,000	46,261	69,392	20,000
Bond proceeds	-	<u>27,500,000</u>	-	-	<u>33,560,000</u>
Total revenues	<u>120,165</u>	<u>27,520,000</u>	<u>46,261</u>	<u>69,392</u>	<u>33,580,000</u>
Total funds available	<u>9,137,832</u>	<u>27,520,000</u>	<u>4,298,650</u>	<u>4,321,781</u>	<u>33,580,000</u>
Expenditures:					
Issuance costs	-	962,500	-	-	1,010,800
Transfer to District No. 1	4,885,443	19,270,000	1,099,030	4,321,781	19,879,220
Transfer to Debt Service	-	7,287,500	-	-	-
Transfer to refunding escrow	-	-	-	-	<u>12,689,980</u>
Total expenditures	<u>4,885,443</u>	<u>27,520,000</u>	<u>1,099,030</u>	<u>4,321,781</u>	<u>33,580,000</u>
Ending fund balance	<u>\$ 4,252,389</u>	<u>\$ -</u>	<u>\$ 3,199,620</u>	<u>\$ -</u>	<u>\$ -</u>

**Southshore Metropolitan District No. 2**  
**Adopted Budget**  
**Debt Service Fund**  
**For the Year ended December 31, 2020**

	Actual 2018	Adopted Budget 2019	Actual 6/30/2019	Estimated 2019	Adopted Budget 2020
Beginning fund balance	\$ 1,676,840	\$ 1,445,140	\$ 1,698,847	\$ 1,698,847	\$ 2,048,348
Revenues:					
Property taxes	1,324,346	1,550,489	1,543,104	1,550,489	2,849,541
System development fees (235*2500)	417,500	587,500	180,000	587,500	587,500
Transfer from Capital Projects	-	7,287,500	-	-	7,287,500
Interest income	<u>28,835</u>	<u>730</u>	<u>22,854</u>	<u>151</u>	<u>730</u>
Total revenues	<u>1,770,681</u>	<u>9,426,219</u>	<u>1,745,958</u>	<u>2,138,140</u>	<u>10,725,271</u>
Total funds available	<u>3,447,521</u>	<u>10,871,359</u>	<u>3,444,805</u>	<u>3,836,987</u>	<u>12,773,619</u>
Expenditures:					
Bond interest - Series 2007	508,656	493,876	246,938	493,876	476,406
Bond principal - Series 2007	275,000	325,000	-	325,000	400,000
Bond interest - Series 2015	936,650	936,650	468,325	936,650	936,650
Bond interest - Series 2017	-	-	-	-	-
Bond interest - Series 2020	-	-	-	-	-
Treasurer's fees	19,868	23,113	23,148	23,113	42,622
Trustee / paying agent fees	<u>8,500</u>	<u>10,000</u>	<u>4,500</u>	<u>10,000</u>	<u>10,000</u>
Total expenditures	<u>1,748,674</u>	<u>1,788,639</u>	<u>742,911</u>	<u>1,788,639</u>	<u>1,865,678</u>
Ending fund balance	<u>\$ 1,698,847</u>	<u>\$ 9,082,720</u>	<u>\$ 2,701,894</u>	<u>\$ 2,048,348</u>	<u>\$ 10,907,941</u>
Assessed valuation		<u>\$ 28,049,450</u>			<u>\$ 51,191,803</u>
Mill Levy		<u>55.277</u>			<u>55.664</u>
Total Mill Levy		<u>57.554</u>			<u>57.891</u>
Ending Fund Balance					
Reserve Fund - Series 2007 & 2019		3,750,000			3,750,000
Surplus Fund (Max \$1,500,000) - Series 2007 / 2015 / 201		785,579			1,500,000
Anticipated Capital Interest - Series 2019 Bonds		<u>4,547,141</u>			<u>5,657,941</u>
		<u>\$ 9,082,720</u>			<u>\$ 10,907,941</u>

## SOUTHSHORE METROPOLITAN DISTRICT NO. 2

### RESOLUTION TO ADOPT BUDGET

WHEREAS, the Board of Directors (“Board”) of Southshore Metropolitan District No. 2 (“District”) has appointed a budget committee to prepare and submit a proposed 2020 budget to the Board at the proper time; and

WHEREAS, such budget committee has submitted the proposed budget to the Board on or before October 15, 2019 for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 12, 2019 and continued to November 20, 2019, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“TABOR”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Southshore Metropolitan District No. 2:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$ 415,283
Capital Projects Fund:	\$ 33,580,000
Debt Service Fund:	\$ 1,865,678
Total	\$35,860,961

2. That estimated revenues are as follows:

<u>General Fund:</u>	
From unappropriated surpluses	\$120,830
From fund transfers	\$0
From sources other than general property tax	\$180,449
From general property tax	\$114,004
Total	\$415,283

Capital Projects Fund:

From unappropriated surpluses	\$0
From fund transfers	\$0
From sources other than general property tax	\$33,580,000
Total	\$33,580,000

Debt Service Fund:

From unappropriated surpluses	\$2,048,348
From fund transfers	\$7,287,500
From sources other than general property tax	\$588,230
From general property tax	\$2,849,541
Total	\$12,773,619

3. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

**TO SET MILL LEVIES**

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$114,044; and

WHEREAS, the amount of money from property taxes necessary to balance the budget for debt service expenses is \$2,849,541; and

WHEREAS, the 2020 valuation for assessment of the District, as certified by the County Assessor, is \$51,191,803.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Southshore Metropolitan District No. 2:

1. That for the purpose of meeting all general operating expenses of the District during the 2020 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 2.227 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$114,044.

2. That for the purpose of meeting all debt service expenses of the District during the 2020 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 55.664 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$2,849,541.

3. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Arapahoe County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

**TO APPROPRIATE SUMS OF MONEY**

WHEREAS, the Board of Directors of the District has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

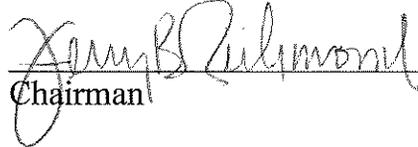
WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Southshore Metropolitan District No. 2 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

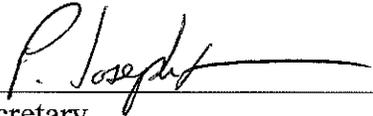
General Fund:	\$415,283
Capital Projects Fund:	\$33,580,000
Debt Service Fund	\$1,865,678
Total	\$35,860,961

Adopted this 20<sup>th</sup> day of November, 2019.

SOUTHSHORE METROPOLITAN  
DISTRICT NO. 2

By:   
Chairman

ATTEST:

By:   
Secretary

## **SOUTHSHORE METROPOLITAN DISTRICT NO. 2**

### **A RESOLUTION CALLING FOR THE 2020 REGULAR DISTRICT ELECTION AND APPOINTING A DESIGNATED ELECTION OFFICIAL**

**WHEREAS**, the Southshore Metropolitan District No. 2 (the “District”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Article 1, C.R.S.; and

**WHEREAS**, the terms of office of Directors Aaron L. Clutter, Nathan Kennedy, and Paul Joseph Knopinski shall expire after their successors are elected at the regular special district election to be held on May 5, 2020 (“Election”) and have taken office; and

**WHEREAS**, in accordance with the provisions of the Special District Act (“Act”) and the Colorado Local Government Election Code (“Code”) (the Act and the Code being referred to jointly as the “Election Laws”), the Election must be conducted to elect three (3) Directors to serve for a term of three (3) years pursuant to Section 1-13.5-111, C.R.S. which moves the regular special district elections to May of each odd-numbered years commencing in May, 2023 and, in connection therewith, adjusts the length of terms served by Directors elected in 2020 and 2022 in order to implement the new election schedule.

**NOW, THEREFORE**, be it resolved by the Board of Directors of the Southshore Metropolitan District No. 2 in the County of Arapahoe, State of Colorado that:

1. The regular election of the eligible electors of the District shall be held on May 5, 2020, between the hours of 7:00 a.m. and 7:00 p.m. pursuant to and in accordance with the Election Laws, and other applicable laws. At that time, three (3) Directors will be elected to serve a three-year term.
2. The Election shall be conducted as a mail ballot election in accordance with all relevant provisions of the Election Laws. The Designated Election Official shall prepare the Plan for conducting the mail ballot Election. There shall be no election precinct or polling place. All mail ballots shall be returned to the Designated Election Official’s office, located at 390 Union Boulevard, Suite 400, Denver, Colorado.
3. The Board of Directors hereby designates Sarah H. Luetjen as the Designated Election Official for the conduct of the Election on behalf of the District and she is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Election Laws or other applicable laws. Among other matters, the Designated Election Official shall publish the call for nominations, appoint election judges as necessary, appoint the Canvass Board,

arrange for the required notices of election, printing of ballots, and direct that all other appropriate actions be accomplished.

4. Self-Nomination and Acceptance forms are available at the Designated Election Official's office located at the above address. All candidates must file a Self-Nomination and Acceptance form with the Designated Election Official no earlier than January 1, 2020, nor later than the close of business on Friday, February 28, 2020.

5. If the only matter before the electors is the election of Directors of the District and if, at the close of business on March 3, 2020, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent no later than March 2, 2020, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.

6. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.

7. Any and all actions previously taken by the Designated Election Official, the Secretary of the Board of Directors, or any other persons acting on their behalf pursuant to the Election Laws or other applicable laws, are hereby ratified and confirmed.

8. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

9. The provisions of this Resolution shall take effect immediately.

ADOPTED this 20<sup>th</sup> day of November, 2019.

SOUTHSHORE METROPOLITAN  
DISTRICT NO. 2

By   
Chairman Vice President

ATTEST:

By   
Secretary

## **DISTRICT BYLAWS**

**SECTION 1. AUTHORITY.** The Southshore Metropolitan District No. 2 (the “**District**”) is a governmental subdivision of the State of Colorado and a body corporate with those powers of a public or quasi municipal corporation which are specifically authorized by, and in compliance with, Title 32, Article 1, C.R.S. The District was created on December 3, 2002, by court order and is located in the City of Aurora and the County of Arapahoe.

**SECTION 2. PURPOSE.** It is hereby declared that the Bylaws hereinafter set forth will serve a public purpose.

**SECTION 3. POLICIES OF THE BOARD.** It shall be the policy of the Board of Directors (the “**Board**”) of the District, consistent with the availability of revenues, personnel and equipment, to use its best efforts to provide the quality services as authorized under the District Service Plan or by law.

**SECTION 4. BOARD OF DIRECTORS.** All powers, privileges and duties vested in, or imposed upon, the District by law shall be exercised and performed by and through the Board, whether set forth specifically or impliedly in these Bylaws. The Board may delegate to officers, employees, and agents of the District any or all administrative and ministerial powers.

Without restricting the general powers conferred by these Bylaws, it is hereby expressly declared that the Board shall have the following powers and duties:

- a. To confer upon any appointed officer or employee of the District the power to choose, remove or suspend employees or agents upon such terms and conditions as may seem fair and just and in the best interests of the District.
- b. To determine and designate, except as otherwise provided by law or these Bylaws, who shall be authorized to make purchases, negotiate leases for office space, and sign receipts, endorsements, checks, releases and other documents. The Board may, on a limited basis and by resolution, give a District manager or other appointed signatory the power to sign contracts and other official documents on behalf of District.
- c. To create standing or special committees and to delegate such power and authority thereto as the Board deems necessary and proper for the performance of such committee’s functions and obligations.
- d. To prepare or cause to be prepared financial reports covering each year’s fiscal activities; and such reports shall be available for inspection by the public, as required by law.

## SECTION 5. OFFICE.

- a. **Business Office.** The principal business office of District shall be at 390 Union Boulevard, Suite 400, Denver, Colorado 80228, unless otherwise designated by the Board.
- b. **Establishing Other Offices and Relocation.** The Board, by resolution, may from time to time, designate, locate and relocate its executive and business office and such other offices as, in its judgment, are necessary to conduct the business of the District.

## SECTION 6. MEETINGS.

- a. **Regular Meetings.** Regular meetings of the Board shall be conducted on the second Tuesday of every month and held at the business office, unless otherwise noticed and posted. When necessary, the Board, in its discretion, by motion may change the time and date of regular Board meetings.
- b. **Special Meetings.** Special meetings of the Board may be called by the Chair, the Vice Chair, or any two (2) Directors of the Board.
- c. **Meeting Public.** All meetings of the Board, other than executive sessions and social gatherings, shall be open to the public. Meetings include any and all sessions of the Board, at which a quorum of the Board or three (3) or more Directors are expected to be in attendance for discussion of District business, either in person, telephonically, or electronically.
- d. **Board Member Notice.** Section 6.a. shall constitute formal notice of regular meetings to the Directors, and no other notice shall be required to be given to the Board. Notice of special meetings shall be provided to Directors by email, telephone, or United States Postal Service (USPS) not less than twenty-four (24) hours in advance. Notice delivered by USPS shall be deemed delivered at 5:00 p.m. on the third (3<sup>rd</sup>) day following the day on which it was deposited. Attendance by a Director at a regular or special meeting shall be deemed a waiver by the Director of the notice requirements of this subsection d.
- e. **Public Notice.** Public notice and an agenda for all meetings shall be posted not less than twenty-four (24) hours in advance as set forth in the Colorado Open Meetings Law. The District's webpage is designated for the posting of such notice pursuant to Section 24-6-401, C.R.S.
- f. **No Informal Action by Directors/Executive Sessions.** All official business of the Board shall be conducted at regular or special meetings.

Executive sessions may be called at regular or special meetings, and conducted according to the following guidelines:

1. Calling the Executive Session. The topic for discussion in the executive session shall be announced in a motion, and the specific statute that authorizes the executive session shall be cited. The matter to be discussed shall be described in as much detail as possible without compromising the purpose of being in executive session. An affirmative vote of two-thirds (2/3) of the quorum in attendance shall be required to go into executive session.
  2. Conducting the Executive Session. No adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall take place in an executive session. The discussion in executive session shall be limited to the reasons for which the executive session was called. An electronic record (such as an audio tape) of the actual contents of the discussion in the executive session shall be kept. No electronic or other record is necessary to be kept for any portions of the discussion which the District's attorney reasonably believes constitute attorney-client privileged communication. The attorney shall state on the electronic record when any portion of the executive session is not recorded as an attorney-client privileged communication or sign a statement to the same effect.
  3. Records of Executive Sessions. The electronic record of any executive session shall be retained by the District for ninety (90) days from the date of the executive session and then destroyed. Electronic recordings of the executive session, or transcripts or other reproduction of the same, shall not be released to the general public for review under any circumstances, except as required by law.
- g. Adjournment and Continuance of Meetings. When a regular or special meeting is for any reason continued to another time and place, notice need not be given of the continued meeting if the time and place of such meeting are announced at the meeting at which the continuance is taken. At the continued meeting, any business may be transacted which could have been transacted at the original meeting.
- h. Emergency Meetings. Notwithstanding any other provisions in this Section 6, emergency meetings may be called, without notice if notice is not practicable, by the Chair, Vice Chair, or any two (2) Directors of the Board in the event of a declared emergency that requires the immediate action of the Board in order to protect the public health, safety, welfare and property of the residents and visitors of the District. If possible, notice of

such emergency meeting may be given to the Board by telephone or whatever other means are reasonable to meet the circumstances of the emergency. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety, welfare or property of the residents and visitors of the District may be taken; provided, however, that any action taken at an emergency meeting shall be effective only until the first to occur of (i) the next regular meeting, or (ii) the next special meeting of the Board at which the emergency issue is on the public notice of the meeting. At such subsequent meeting, the Board may ratify any emergency action taken. If any emergency action taken is not ratified, then it shall be deemed rescinded as of the date of such subsequent meeting, although the validity and effectiveness of the emergency action during its effective time shall not be invalidated. A declared emergency for purposes of this subsection h is an emergency within the District that has been declared by county or municipal government, the State of Colorado, the United States government, of any department or agency thereof, or the Chair, Vice Chair, or any two (2) Directors of the Board.

- i. **Email Meetings.** Section 24-6-402, C.R.S., requires that certain e-mail correspondence between three (3) Directors (or, when two (2) Directors constitute a quorum, two (2) Directors), if said email correspondence discusses pending resolutions or other District business, shall be considered a public meeting subject to the requirements of the Colorado Open Meetings Law.
- j. **Telephonic Attendance at Meetings.** Section 24-6-402(1)(b), C.R.S., defines a meeting as “Any kind of gathering to discuss public business, in person, by telephone, electronically, or by other means of communication.” Directors may attend meetings by telephone (or other electronic means), so long as he or she is able to reasonably hear the comments from the audience and any comments and discussion among other Directors and staff, and is able to participate in the discussion.

## **SECTION 7. CONDUCT OF BUSINESS.**

- a. **Quorum.** All official business of the Board shall be transacted at a regular or special meeting at which a quorum (majority) of the Directors shall be in attendance in person, telephonically, or electronically, except as provided in Section 6.h. above and Section 7.b. below.
- b. **Vote Requirements.** Any action of the Board shall require the affirmative vote of a majority of the Directors in attendance and voting at a meeting properly called and at which a quorum is in attendance, except that to

convene an executive session of the Board, a two-thirds (2/3) affirmative vote is required.

- c. **Electronic Signatures.** In the event the signature(s) of one (1) or more Directors of the Board or appointed signatories are required to execute a written document, contract, note, bond, deed, and/or other official papers of the District, and the appropriate individual(s) is unable to be physically present to sign said documentation, such individual or individuals are authorized to execute the documentation electronically via facsimile or e-mail signature, unless said documentation provides otherwise. Any electronic signature so affixed to a document shall carry the full legal force and effect of any original, handwritten signature. Except as approved herein, this provision of these Bylaws shall not be interpreted as establishing District's consent or authorization to bind District to any transaction by the use of electronic records or electronic means. This provision is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act.
  
- d. **Order of Business.** The business of all regular meetings of the Board shall be transacted, as far as practicable, in the following order, and the agenda for such meetings shall describe in as much detail as is possible the topics planned for discussion within each category:
  - 1. Changes to Agenda;
  - 2. Approval (or approval, as modified) of the minutes of the previous meeting;
  - 3. Public input (for matters not otherwise on the agenda/3-minute time limit/no disrupting, pursuant to Section 18-9-108, C.R.S.);
  - 4. Officers, committees and professional consultants;
  - 5. Unfinished business;
  - 6. New business and special orders;
  - 7. Executive session, if needed; and
  - 8. Adjournment.
  
- e. **Public Conduct at Meetings.** Comments by members of the public shall be made only during the "Public Input" portion of the meeting and shall be limited to three (3) minutes per individual and five (5) minutes per group

spokesperson unless additional opportunity is given at the Board's discretion. Each member of the public wishing to speak may be asked to fill out a form indicating name, address, and agenda item to be addressed. Disorderly conduct, harassment, or obstruction of or interference with meetings by physical action, verbal utterance, nuisance or any other means are hereby prohibited and constitute a violation of District rules. Such conduct may result in removal of person(s) responsible for such behavior from the meeting and/or criminal charges filed against such person(s). To the extent such occurrences arise and the person(s) responsible refuses to leave the premises, law enforcement authorities will be summoned. Prosecution will be pursued under all applicable laws including, without limitation, Sections 18-9-108, C.R.S. (disrupting lawful assembly), 18-9-110, C.R.S. (public buildings - trespass, interference), and/or 18-9-117, C.R.S. (unlawful conduct on public property). Law enforcement may be requested to attend meetings at any time in which the Board believes their presence will be an asset to the keeping of peace and the conducting of public business. 9-1-1 will be called at any time that the Board or staff feels threatened or endangered during a public meeting.

- f. **Minutes.** Within a reasonable time after passage, all votes, resolutions, motions and minutes of Board meetings shall be recorded in a visual text format that may be transmitted electronically and kept for that purpose and shall be attested by the Recording Secretary. Such records shall be the official record of Board meetings. Minutes of regular meetings shall be available for public review as soon as practicable following acceptance of the minutes by adoption of a motion of the Board. Executive sessions shall be electronically recorded on audio tape or other electronic media, and such electronic recording or reproduction of the same shall be kept separate from minutes of regular sessions as described in Section 6.e. of these Bylaws, and shall not be open to the public except as required by law. Draft minutes are considered work product under the Colorado Open Records Act and are not available to the public until discussed by the Board in a public meeting.

## **SECTION 8. DIRECTORS, OFFICERS AND PERSONNEL.**

- a. **Director Qualifications and Terms.** Directors shall be electors of the District. The term of each Director shall be determined by relevant statutory provisions with regular elections held in even numbered years through 2022, and thereafter odd numbered years beginning in 2023, and conducted in the manner prescribed by Articles 1 through 13.5, Title 1, and Part 8, Article 1, Title 32, C.R.S.

- b. **Faithful Performance Bonds.** Each Director shall furnish, at the expense of the District, an individual, schedule or blanket surety bond or crime insurance in the sum of not less than one thousand dollars (\$1,000) each, conditioned on the faithful performance of the duties of his/her office. In addition, the Treasurer shall furnish, at the expense of the District, a corporate fidelity bond or crime insurance in a sum of not less than five thousand dollars (\$5,000), conditioned upon the faithful performance of the duties of his/her office.
- c. **Director's Performance of Duties.** A Director of the District shall perform all duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner in which the Director reasonably believes to be in the best interests of District, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing the Director's duties, the Director shall be entitled to rely upon information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in subparagraphs 1, 2 and 3 of this subsection c. The Director shall not be considered to be acting in good faith if he/she has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs the Director's duties shall not have any liability by reason of being or having been a Director of the District. Those programs and groups upon whose information, opinions, reports, and statements a Director is entitled to rely upon are:
1. One (1) or more officers or employees of the District whom the Director reasonably believes to be reliable and competent in the matters presented;
  2. Legal counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such persons' professional knowledge or expertise; and
  3. A committee of the Board upon which the Director does not serve, duly designated in accordance with the provisions of these Bylaws, as to matters within the committee's designated authority, which committee the Director reasonably believes to merit confidence.
- d. **Oath of Office.** Each Director of the Board, before assuming the responsibilities of his/her office, shall take and subscribe an oath of office in the form prescribed by law.

- e. **Election of Officers.** The Board shall elect from its membership a Chair/President, Secretary, Treasurer, and Vice Chair/President who shall be the officers of the Board and of the District. The Board may elect from its membership Vice Chairs/Presidents and Assistant Secretaries and/or Assistant Treasurers. The officers shall be elected by a majority of the Directors voting at such election. The Board may, from time to time, appoint an acting officer in the absence of any individual officer. The election of the officers shall be conducted biennially at the first regular meeting of the Board following the regular biennial election of the Directors. Each officer so elected shall serve for a term of two (2) years, or as otherwise directed by the Board. Under any circumstance, the term shall continue until the election of his/her successor. Officers elected following the 2022 regular election shall serve for a term of one (1) year to facilitate the conversion of regular elections from even to odd numbered years.
- f. **Vacancies.** Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Directors, as prescribed by law, with the appointee to serve until the next biennial election, as prescribed by statute. The appointed individual must meet the statutorily prescribed qualifications for Directors and shall serve until the next regular election.
- g. **Resignation and Removal.** Directors may be removed from office only by recall as prescribed by statute. Any Director may resign at any time by giving written notice to the Board, and acceptance of such resignation shall not be necessary to make it effective, unless the notice so provides.
- h. **Chair and President.** The Chair shall preside at all meetings. The Chair shall also be the President of the District. The President is authorized to sign all contracts, deeds, notes, debentures, warrants and other instruments on behalf of the District.
- i. **Secretary.** The Secretary shall preside at meetings in the absence of the Chair; be responsible for the records of the District; may act as Secretary at meetings of the Board and record all votes; shall be responsible for composing a record of the proceedings of the Board in a visual text format that may be transmitted electronically and kept for that purpose, which shall be an official record of the Board; and shall perform all duties incident to that office. The Secretary shall be the designated election official of the District and the custodian of the seal of District, unless otherwise determined by the Board. The Secretary shall have the authority to affix such seal to and attest all contracts and instruments authorized to be executed by the Board.

- j. **Treasurer.** The Treasurer shall be authorized to invest, or cause to be invested, all surplus funds or other available funds of the District in permitted investments authorized by law or as specified by the Board. The Treasurer shall be Chair of the Budget Committee and of the Audit Committee. The Treasurer shall keep, or cause to be kept, strict and accurate accounts of all money received by and disbursed for and on behalf of the District in permanent records.
  
- k. **Vice Chair/Vice President and Assistant Secretaries and/or Treasurers.** The Vice Chair/President and Assistant Secretaries and/or Treasurers shall have all powers of the associated primary officers in the absence of such officers. In the event that dual signatures of Directors are required on any instrument, then two (2) different Directors of the Board shall sign such instrument.
  
- l. **Recording Secretary.** The Board shall have the authority to appoint a recording secretary, who need not be a member of the Board, and who shall be responsible for recording the minutes of the meetings of the Board. The recording secretary shall not be required to take an oath of office, nor shall the recording secretary be required to post a performance bond.
  
- m. **Additional Duties.** The officers of the Board shall perform such other duties and functions as may, from time to time, be required by the Board, by these Bylaws or the rules and regulations of the District, by law, or by special exigencies, which shall later be ratified by the Board.
  
- n. **Manager or Administrator.** The Board may appoint a manager or contract with an administrator to serve for such term and upon such conditions, including compensation, as the Board may establish. Such manager or administrator shall have general supervision over the administration of the affairs, employees and business of the District and shall be charged with the hiring and discharging of employees and the management of District properties. Such manager or administrator shall have the care and custody of the general funds of the District and shall deposit or cause to be deposited the same in the name of District in such banks or savings associations as the Board may select. Such manager or administrator will approve all vouchers, orders and checks for payment, and shall keep or cause to be kept regular books of account of all District transactions and shall obtain, at the District's expense, such bond for the faithful performance of its duties, or crime insurance as the Board may designate. The Board may delegate such powers and duties to the manager or administrator as it deems appropriate.

- o. **Personnel Selection and Tenure.** The selection of agents, employees, engineers, accountants, special consultants and attorneys of the District by the Board will be based upon the relative qualifications and capabilities of the applicants and shall not be based upon political services or affiliations. Agents and employees of the District shall hold their offices at the pleasure of the Board. Contracts for professional services of engineers, accountants, special consultants and attorneys may be entered into upon such terms and conditions as may seem reasonable and proper to the Board.

**SECTION 9. FINANCIAL ADMINISTRATION.**

- a. **Fiscal Year.** The fiscal year of the District shall commence on January 1<sup>st</sup> of each year and end on December 31<sup>st</sup>.
- b. **Budget Committee.** There shall be a permanent Budget Committee composed of the Treasurer, another Director appointed by the Chair/President, and the manager or administrator, if any, which Committee shall be responsible for preparation of the draft annual budget of the District and such other matters as may be assigned to it by the Chair/President or the Board.
- c. **Budget.** On or before October 15<sup>th</sup> of each year, the Budget Committee shall prepare and submit to the Board a proposed budget for the ensuing fiscal year. Such proposed budget shall be accompanied by a statement which shall describe the important features of the budget plan and, by a general summary wherein shall be set forth the aggregate features of the budget, in such manner as to show the balanced relations between the total proposed expenditures and the total anticipated income or other means of financing the proposed budget for the ensuing fiscal year, as contrasted with the corresponding figures for the last completed fiscal year and the current fiscal year. The proposed budget shall be supported by explanatory schedules or statements classifying the expenditures contained therein by services, subjects and funds. The anticipated income of the District shall be classified according to the nature of receipts.
- d. **Notice of Budget.** Upon receipt of the proposed budget, the Board shall cause to be published a notice that the proposed budget is open for inspection by the public at the District's business office; that the Board will consider the adoption of the proposed budget at a public hearing on a certain date; and that any interested elector may inspect the proposed budget and file or register any objections thereto at any time prior to its final adoption. Such notice shall be posted or published in substantial compliance with law.

- e. **Adoption of Budget.** On the day set for consideration of such proposed budget, the Board shall review the proposed budget and revise, alter, increase or decrease the items as it deems necessary in view of the needs of the District and the probable income of the District. The Board shall then adopt a budget, either during the budget hearing or at a later date and time to be set by the Board, setting forth the expenditures to be made in the ensuing fiscal year. The Board shall provide for sufficient revenues to finance budgeted expenditures with special consideration given to the proposed ad valorem property tax levy.
- f. **Levy and Collection of Taxes.** On or before December 15<sup>th</sup> of each year, the Board shall certify to the Board of County Commissioners of the County or Counties in which the District is located the mill levy established for the ensuing fiscal year, in order that, at the time and in the manner required by law for the levying of taxes, such Commissioners shall levy such tax upon the assessed valuation of all taxable property within District.
- g. **Filing of Budget.** On or before January 30<sup>th</sup> of each year, the Board shall cause a certified copy of such budget to be filed with the Division of Local Government in the Colorado Department of Local Affairs.
- h. **Appropriating Resolution.**
  - 1. At the time of adoption of the budget, the Board shall enact a resolution making appropriations for the ensuing fiscal year. The amounts appropriated thereunder shall not exceed the amounts fixed therefor in the adopted budget.
  - 2. The income of the District, as estimated in the budget and as provided for in the tax levy resolution and other revenue and borrowing resolutions, shall be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution.
  - 3. The Board may make an appropriation to and for a contingency fund to be used in cases of emergency or for any other unforeseen contingencies.
- i. **No Contract to Exceed Appropriation.** The Board shall have no authority to enter into any contract, or otherwise bind or obligate the District to any liability for payment of money for any purposes for which provision is not made in an appropriation resolution, including any legally authorized amendment thereto, in excess of the amounts of such appropriation for that fiscal year. Any contract, verbal or written, contrary

to the terms of this Section 9 shall be void ab initio, and no District funds shall be expended in payment of such contracts.

j. **Contingencies.**

1. In cases of emergency caused by a natural disaster, public enemy, or other contingency which could not reasonably have been foreseen at the time of the adoption of the budget, the Board may authorize the expenditure of funds in excess of the budget by resolution duly adopted by a two-thirds (2/3) vote of the Board. Such resolution shall set forth in full the facts concerning the emergency and shall be included in the minutes of such meeting.
2. If so enacted, a copy of the resolution authorizing additional expenditures shall be filed with the Division of Local Government in the Colorado Department of Local Affairs and shall be published in compliance with statutory requirements.

k. **Payment of Contingencies.**

1. If there are unexpended or uncommitted money in funds other than those to which the emergency relates, the Board shall transfer such available money to the fund from which the emergency expenditure is to be paid.
2. To the extent that transferable funds are insufficient to meet the emergency appropriation, the Board may borrow money through (a) the issuance of tax anticipation warrants, to the extent that the mill levy authority of the District is available as provided by law, (b) the issuance of bond anticipation notes payable from future bond proceeds or operating revenue, or (c) any other lawful and approved method.

l. **Annual Audit.**

1. The Board shall cause an annual audit (or exemption from audit) to be made at the end of each fiscal year of all financial affairs of the District through December 31<sup>st</sup> of such fiscal year. The audit report must be submitted to the Board within six (6) months of the close of such fiscal year, or as otherwise provided by law. Such audit shall be conducted in accordance with generally accepted auditing standards and by a registered or certified public accountant who has not maintained the books, records and accounts of District during the fiscal year. The auditor shall prepare, and certify as to its accuracy,

an audit report, including a financial statement and balance sheet based on such audit, an unqualified opinion or qualified opinion with explanations, and a full disclosure of any violation of Colorado law, pursuant to statutory requirements.

2. There shall be a permanent Audit Committee composed of the Treasurer and one (1) other member of the Board appointed by the Chair/President. The Audit Committee shall be responsible for the appointment, compensation, selection (to be approved by the Board), retention, and oversight of the work of any independent accountants engaged for the purpose of preparing or issuing an independent audit report or performing other independent audit, review or attest services for the District. The Audit Committee may, as necessary and to the extent of its ability, provide independent review and oversight of the District's financial reporting processes, internal controls and independent auditors. All accountants thus engaged shall report directly to the Audit Committee.
3. A copy of the audit report shall be maintained by the District as a public record for public inspection at all reasonable times.
4. A copy of the audit report shall be forwarded to the State Auditor or other appropriate State official pursuant to statutory requirements.
5. Notwithstanding the foregoing audit requirements, the Board may file for an application for exemption from audit if the statutory criteria are met.

**SECTION 10. CORPORATE SEAL.** The seal of the District shall be a circle containing the name of the District and shall be used upon all documents and in such a manner as seals generally are used by public and private corporations. The Secretary shall keep, or cause to be kept, the seal and shall be responsible for its safekeeping and care.

**SECTION 11. DISCLOSURE OF CONFLICT OF INTEREST.** A potential conflict of interest of any Director shall be disclosed in accordance with State law, particularly Article 18 of Title 24, C.R.S., and Sections 32-1-902(3) and 18-8-308, C.R.S.

**SECTION 12. COMPENSATION.** Each Director shall receive the maximum compensation authorized by statute, unless otherwise determined by the Board. No Director shall receive compensation as an employee of the District, except as may be provided by statute.

**SECTION 13. INDEMNIFICATION OF DIRECTORS AND EMPLOYEES.** The District shall defend, hold harmless and indemnify any Director, officer, agent, or employee of the District, whether elective or appointive, against any tort or liability, claim or demand, without limitation, arising out of any alleged act or omission occurring during the performance of official duty, as more fully defined by law or by an indemnification resolution, if any. The provisions of this Section 13 shall be supplemental and subject to and, to the extent of any inconsistency therewith, shall be modified by the provisions of the Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S.

**SECTION 14. BIDDING AND CONTRACTING PROCEDURES.** Except in cases in which the District will receive aid from a government agency, a notice shall be published for bids on all construction contracts for work, materials, or both, involving an expense of sixty thousand dollars (\$60,000) or more of District funds. The Board may reject any and all bids, and if it appears that the District can perform the work or secure material for less than the lowest bid, it may proceed to do so in accordance with law. Notwithstanding the foregoing, the District may award an integrated project delivery contract, pursuant to Part 18 of Article 1, Title 32, C.R.S., on (i) the determination of the Board that integrated project delivery represents a timely or cost-effective alternative for a project; (ii) publication of a request for qualifications and/or request for proposals; and (iii) compliance with Part 18 of Article 1, Title 32, C.R.S. All other statutory requirements relating to performance bonds, retainage, and similar matters shall also be complied with.

**SECTION 15. RECORDS MANAGEMENT.** The District shall comply with, and adopt and maintain policies as necessary for compliance with, applicable records retention, destruction, and disclosure requirements, including the Colorado Open Records Act, State Archives and Public Records Law, and various consumer privacy legislation. The District manager or administrator, or his/her designee, is hereby designated as the Official Custodian of Records (the “Custodian”) pursuant to the Colorado Open Records Act. In the event there is any question as to whether the District is permitted to comply with a Colorado Open Records Act request, the Custodian shall forward such request to the District’s legal counsel. Copies of records shall be furnished at a cost of twenty-five cents (\$.25) per standard 8.5-inch by 11-inch black and white page. The charge for providing a copy, printout or photograph of a public record in a format other than a standard page will be assessed at the actual cost of production. Additionally, in those cases where the location or existence of specific documents must be researched and the documents must be retrieved, sorted or reviewed for applicability to the request, and such process requires more than one (1) hour of staff time, the Custodian may charge a research and retrieval fee not to exceed thirty-three dollars and fifty-eight cents (\$33.58) per hour. The Custodian will not impose a charge for the first (1<sup>st</sup>) hour of time expended in connection with the research and retrieval of public records. **The fees and charges**

stated in this Section 15 will automatically be increased to the maximum amounts allowed by law without additional Board action.

**SECTION 16. MODIFICATION OF BYLAWS.** These Bylaws may be altered, amended or repealed at any regular or special meeting of the Board to become effective immediately or at a subsequent date.

**SECTION 17. SEVERABILITY.** If any part or provision of these Bylaws is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of these Bylaws, it being the Board's intention that the various provisions hereof are severable.

**SECTION 18. TERMINATION OF PRIOR BYLAWS.** These Bylaws amend, supersede and replace in their entirety any and all prior Bylaws, and any amendments thereto, previously adopted by the Board.

**ADOPTED** this 20<sup>th</sup> day of November, 2019, by the Board of Directors of the Southshore Metropolitan District No. 2.

  
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