

MINUTES OF AN INAUGURAL MEETING OF THE BOARD OF DIRECTORS

OF

SADDLE ROCK SOUTH AUTHORITY

Held: Thursday, the 25th day of July, 2019, at 2:30 P.M., at 6800 South Liverpool Street, Suite A, Aurora, Colorado.

ATTENDANCE

The meeting was held in accordance with the laws of the State of Colorado. The following directors were in attendance:

Designees:

James Quarles

Don Langley

Marie B. Hensler

Alternate Designees:

Jason Inzer

Jan Taylor

Rob Childs

Also present were: Jennifer Gruber Tanaka, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, Authority general counsel; Nicole Finco, Esq., Spencer Fane, LLP, special counsel for District Nos. 2, 3, and 4 and the Authority (for a portion of the meeting); Irene Borisov, Summit Management and Consulting, LLC, Authority Manager; John Simmons, Simmons & Wheeler, PC, Authority Accountant; Andy Carroll, Security Officer; Bradley A. Simons, PE, MMI Water Engineers, LLC; and Howard Johnson and Jordan Rigberg, residents and directors for District Nos. 2 and 3.

ADMINISTRATIVE MATTERS

Call to Order

The meeting was called to order.

Declaration of Quorum and Confirmation of Director Qualifications

Ms. Tanaka noted that a quorum for the Authority was present and that the directors had confirmed their qualification to serve.

Reaffirmation of Disclosures of Potential or Existing Conflicts of Interest

Ms. Tanaka advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Tanaka reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Tanaka noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters

scheduled for discussion at the meeting. No additional disclosures were noted. The Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Approval of Agenda

Ms. Tanaka presented the Board with the agenda for the meeting. Upon motion of Mr. Quarles, seconded by Ms. Hensler, the Board unanimously approved the agenda, as presented.

PUBLIC COMMENT

None.

CONSENT MATTERS

AGENDA

The Board was presented with the consent agenda items. Ms. Tanaka noted that, where appropriate, Ms. Finco reviewed the documents as special counsel to the Authority. Upon motion of Mr. Langley, seconded by Mr. Quarles, the Board unanimously took the following actions:

- a. Administrative Matters
 - i. Adopted Resolution No. 2019-07-01: 2019 Annual Administrative Resolution
 - ii. Adopted Resolution No. 2019-07-02: Providing for the Defense and Indemnification of Directors and Employees of the Authority
 - iii. Adopted Resolution No. 2019-07-03: Adopting Colorado Special District Records Retention Schedule
 - iv. Adopted Resolution No. 2019-07-04: Adopting Public Records Request Policy
- b. Consultant Matters
 - i. Approved the Engagement of WHITE BEAR ANKELE TANAKA & WALDRON as General Counsel
 - ii. Approved the Engagement of Simmons & Wheeler for Accounting Services
 - iii. Approved the Engagement of SpencerFane, LLP as Special Counsel
- c. Financial Matters
 - i. Ratified the Opening of Checking Account at FirstBank, NA
 - ii. Adopted Resolution No. 2019-07-05: Concerning the Assignment of Operations and Development Fees and Imposition of Authority Fees
 - iii. Adopted Resolution No. 2019-07-06: Establishing Guidelines for the Processing and Collection of Fees and Charges
- d. Insurance Matters
 - i. Approved the SDA Membership, Intergovernmental Agreement with Colorado Special Districts Property

- and Liability Pool, and Adoption of Resolution No. 2019-07-07
- ii. Approved the Agency Services Agreement with T. Charles Wilson Insurance Services
- e. Operational Matters
 - i. Adopted Resolution No. 2019-07-08: Adopting the Uniform Parking Regulations
 - ii. Adopted Resolution No. 2019-07-09: Adopting Motor Court Policies
 - iii. Adopted Resolution No. 2019-07-10: Adopting Policies and Procedures Governing Recreation Amenities

FINANCIAL MATTERS

2019 Budget Hearing and Adoption of Resolution No. 2019-07-11: Adopting Budget and Appropriating Funds

Mr. Quarles opened the public hearing on the 2019 budget. Ms. Tanaka reported that notice of the public hearing was published in accordance with Colorado law and no written objections were submitted. Mr. Simmons reviewed the budget with the Board and explained the similarities and differences with the budget adopted by Saddle Rock South Metropolitan District No. 1 (“District No. 1”) since the Authority will be assuming the responsibilities and obligations for the remainder of 2019. There being no public comment, Mr. Quarles closed the public hearing.

Upon motion of Mr. Quarles, seconded by Mr. Langley, the Board unanimously approved the 2019 budget and adopted Resolution No. 2019-07-11: Adopting Budget and Appropriating Funds.

LEGAL MATTERS

HB19-1087 and Meeting Notice Posting Requirements and Adoption of Resolution No. 2019-07-12: Regarding Electronic Posting of Meeting Notices

Ms. Tanaka advised the Board of the Colorado Legislature’s passage of HB 19-1087 which enables special districts to post notices of public meetings electronically on a dedicated website in lieu of physically posting at three locations within the District’s boundaries, as is currently the case. Ms. Tanaka noted that the legislation becomes effective on August 2, 2019, and inquired into whether the Board wants to post the notices on a website going forward and noted that, if so, a website must be a dedicated website per the law. Ms. Tanaka noted that the Districts currently have a website that can be used by the Authority after proper updates are made and also noted that the State has a website portal known as SIPA that is free for public entities as well and they can set up a website for the Authority which can then be administered by legal counsel for postings going forward.

Upon motion of Ms. Hensler, seconded by Mr. Langley, the Board unanimously adopted Resolution No. 2019-07-12: Regarding Electronic Posting of Meeting Notices and directed Ms. Borisov to create the public page on the website, put a notice in the community newsletter, send an email blast and post a notice at the clubhouse notifying people of the posting of notices on the website going forward.

Request for Proposals for Management Services

The Board discussed the request for proposals (the “RFP”) for management services. Ms. Tanaka reported that all comments received to date have been incorporated into the RFP.

Upon motion of Ms. Hensler, seconded by Mr. Quarles, and upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 3:23 P.M. for the purpose of receiving legal advice and discussing negotiations with third parties pursuant to §§ 24-6-402(4)(b) and (e), C.R.S.

Pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the portion of this executive session that, in the opinion of the District’s attorney, constitutes privileged attorney-client communication pursuant to § 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 3:53 P.M.

Status of Request for Proposals for Security Services

This matter was discussed in executive session, above.

STRUCTURAL AND GOVERNANCE COMMITTEE MATTERS

The Board was presented with the Structural and Governance Committee Matters via consent agenda. Ms. Tanaka noted that the documents were approved by District No. 1 and District Nos. 2, 3, and 4, as appropriate. Further, all documents were reviewed by Ms. Finco as appropriate as special counsel the District Nos. 2, 3, and 4, as well as special counsel for the Authority. Upon motion of Mr. Langley, seconded by Ms. Hensler, the Board unanimously took the following actions:

- a. Approved the Special Warranty Deed and Bills of Sale Effectuating the Transfer of Assets from District No. 1 to Saddle Rock South Authority
- b. Approved the Assignment and Assumption Agreement of Independent Contractor Agreements from District No. 1 to Saddle Rock South Authority
- c. Approved the Assignment of Additional Agreements from District No. 1 to Saddle Rock South Authority:

- i. Intergovernmental Agreement with City of Aurora (Regarding Enforcement of Parking Regulations within Layby Areas), dated May 10, 2012
- ii. Stormwater Maintenance Agreement with City of Aurora, dated July 15, 2011
- iii. Intergovernmental Agreement with City of Aurora Regarding Pinery Creek Trail, dated October 12, 2009
- iv. Intergovernmental Agreement with Arapahoe Park and Recreation District, dated February 7, 1996
- v. Landscape Maintenance Easement, Lot 1 Block 1, with Yulia Sopkin, dated January 17, 2019
- vi. Landscape Maintenance Easement, Lots 5,6,7,8 and 9, Block 1, Saddle Rock Vistas Subdivision, with SRV Land, LLC, dated November 14, 2018
- vii. Easement Agreement (Embrey Partners / On-site retention pond), dated November 18, 2009
- viii. Easement Agreement (Embrey Partners / Off-site retention pond), dated November 18, 2009
- ix. License Agreement, Olsen Driveway, with Paul R. Olsen, dated June 1, 2007
- x. Memorandum of Understanding (Regarding Operation and Maintenance of Retention Pond) with BCRE Canyons at Saddle Rock, LP, dated March 22, 2016
- xi. Memorandum of Understanding (Regarding Operation and Maintenance of Star Pass Retention Ponds) with Star Pass Homeowners' Association, Inc., dated February 15, 2010
- xii. Intergovernmental Agreement between City of Aurora and Districts, dated February 3, 1999 (Service Plan IGA)
- d. Approved the Infrastructure Acquisition Agreement (Saddle Rock Vistas Subdivision) with Arapahoe Greens, LLC
- e. Accepted the Assignment of all outstanding fees, rates, tolls, penalties and charges, including all late fees, attorney's fees and costs and all costs of collection, from District No. 1 to the Saddle Rock South Authority

ENGINEER'S MATTERS

Sidewalk Chase Project

Mr. Simons reported that the subcontractor has an expired bond and did not timely request a permit from the City. The City issued a stop order until the permit is obtained. He will continue to monitor the process.

Tract Inventory Map

Mr. Simons and Ms. Tanaka explained the updates to the mapping project for tract tracking purposes. Mr. Simons will provide the updated map when complete.


Next Meeting

The next regular meeting of the Authority is scheduled for September 19, 2019, at 2:30 P.M.

ADJOURNMENT

There being no further business to be conducted, the meeting was adjourned.

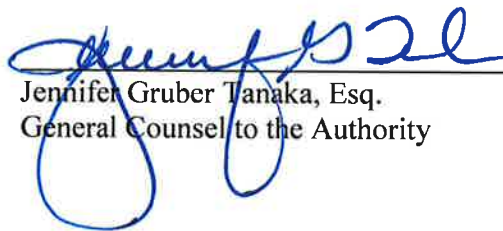
The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.



Secretary for the Authority

**Attorney Statement
Regarding Privileged Attorney-Client Communication**

Pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that in my capacity as the attorney representing the Saddle Rock South Authority (the "Authority"), I attended the Executive Session on July 25, 2019, for the sole purposes of conferencing with the Authority's Board of Directors for the purpose of giving legal advice on specific legal questions and discussing negotiations with third parties as authorized by §§ 24-6-402(4)(b) and (e), C.R.S. I further attest that it is my opinion that all or a portion of the executive session discussion constituted attorney-client privileged communication as provided by § 24-6-402(4)(b), C.R.S., and based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S.



Jennifer Gruber Tanaka, Esq.
General Counsel to the Authority