

MINUTES OF A JOINT REGULAR MEETING OF THE
BOARDS OF DIRECTORS

OF

SADDLE ROCK SOUTH METROPOLITAN DISTRICT NOS. 1,
2, 3, and 4

Held: Thursday, the 9th day of May, 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:

District No. 1

Carol Bransfield
Michael Alpert
Rodney Alpert

District No. 2

Howard Johnson
Don Langley

District No. 3

James Quarles
Jan Taylor
Carol Bransfield
Jordan Rigberg
Rodney Alpert

District No. 4

Carol Bransfield
Marie Hensler
Robert Childs
Michael Alpert
Rodney Alpert

Also present were: Jennifer Gruber Tanaka, Esq., WHITE BEAR
ANKELE TANAKA & WALDRON, District general counsel; Nicole
Finco, Esq., Spencer Fane, LLP, special counsel for District Nos.
2, 3, and 4; Irene Borisov, Summit Management and Consulting,
LLC, District Manager; Mark Chambers, Simmons & Wheeler,
PC, District Accountant; Andy Carroll, Security Officer; Bradley
A. Simons, PE, MMI Water Engineers, LLC; and Jason Inzer and
Mary Chesley, homeowners.

**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 each of the Boards of District
Nos. 1, 2, 3, and 4 were present and that the directors had
confirmed their qualification to serve.

Combined Meetings

The Districts are meeting in a combined Board meeting. Unless
otherwise noted below, the matters set forth below shall be
deemed to be the actions of the Saddle Rock South Metropolitan
District Nos. 1, 2, 3, and 4, collectively.

Reaffirmation of Disclosures of Potential or Existing Conflicts of Interest

Ms. Tanaka advised the Boards 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 Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Boards. Ms. Tanaka noted that a quorum was present and inquired into whether members of the Boards 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 Boards determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

Approval of Agenda

Ms. Tanaka presented the Boards with the agenda for the meeting. Ms. Tanaka noted that Mr. Simons needs to leave the meeting by 3:00 P.M. and requested that his reports be moved up on the agenda. Ms. Tanaka also requested that the discussion on the Authority be moved up on the agenda so that Ms. Finco can leave the meeting. Upon motion of Mr. R. Alpert, seconded by Ms. Bransfield, the Boards unanimously approved the agenda as amended.

Excusal of Absences

The Boards noted the absences of Ms. Taylor, Ms. Alpert, and Mr. B. Alpert, and, upon motion, duly seconded, the Boards unanimously excused their absences.

Asset Management

Capital Requirements Update

Reserve Plan

Mr. Simons provided an update on the status of the updated of the capital reserve study and noted he is also reviewing what funds have been spent to date out of the general fund on capital items so that these maintenance items can be properly tracked. To date, no funds from the capital reserve fund have been used on capital repairs reflected on the report. Mr. Simons anticipates the study will be complete by the July meeting provided he can get the necessary information from Ms. Borisov in time.

Mr. Langley also noted that a property owner's sump is draining onto the Districts' sidewalk creating issues. He is working with Mr. Simons on a resolution to this issue.

Update of Maps for Ownership Maintenance

Districts' Property and

Mr. Simons reported that the Districts' maps have been updated and updated copies have been circulated to the Boards. Mr. Simons reviewed the improvements made to the maps, including adding of grids and parking places.

Mr. Simons reported that he updated the detention ponds based upon additional information received showing ownership. There are still a couple of ponds that are being clarified for ownership issues and Mr. Simons will follow up with any outstanding questions as needed.

Appointment of Director to Board of District No. 2 and Administer Oath of Office for Same

Ms. Tanaka noted that there are currently three vacancies on the Board for District No. 2 and Jason Inzer has expressed an interest in being appointed to the Board for District No. 2. Ms. Tanaka reported that her officer confirmed Mr. Inzer's qualifications to serve on the Board. Upon motion of Mr. Johnson, seconded by Langley, the Board unanimously appointed Mr. Inzer to the Board. Mr. Johnson administered the oath of office. The Board directed Ms. Tanaka to file the certificate of appointment and oath of office with the Division of Local Government and the Arapahoe County District Court in accordance with Colorado law.

Election of Officers for District No. 2

Ms. Tanaka inquired into which officer position Mr. Inzer will hold. Upon motion of Mr. Johnson, seconded by Mr. Langley, the Board unanimously elected the following officers:

President: Howard Johnson
Secretary/Treasurer: Don Langley
Assistant Secretary: Jason Inzer

PUBLIC COMMENT

Ms. Chesley addressed the Boards and noted she has lived in the community since 2007. She has used the tennis courts throughout her time in the community and noted that the tennis courts are not overused and she now plays pickleball. She noted that the Boards previously considered the addition of pickleball courts which were denied by the Boards and she would like the Boards to reconsider the request. The Boards requested that Ms. Borisov obtain information and proposals for the repainting of the areas to add the pickleball court for consideration. Ms. Chesley will also provide information to Ms. Borisov in order to assist with this effort.

CONSENT MATTERS

AGENDA

The Boards were presented with the consent agenda items. Upon motion of Mr. Langley, seconded by Ms. Hensler, the Boards unanimously took the following actions:

- a. Ratification of Following Actions by District No. 2 Board Due to No Quorum at January or March Meetings:
 - i. Approval of Board Meeting Minutes from November 8, 2018 Joint Regular Meeting

- ii. Acceptance of Unaudited Financial Statements as of September 30, 2018 and December 31, 2019
 - iii. Approval of Application for Exemption from 2018 Audit
 - iv. Ratification of Engagement of Spencer Fane LLP as Special Counsel
- b. Adoption of Resolution No. 2019-05-01: Designating the District's 24-Hour Posting Location (District No. 2)
 - c. Approval of Board Meeting Minutes from March 14, 2019, Joint Regular Meeting (District Nos. 1, 3, and 4)
 - d. Ratification of Operations Payables (March 15, 2019 – May 9, 2019) (\$62,214.70)
 - e. Ratification of Claims as of April 30, 2019 (\$55,535.51)
 - f. Approval of Additional Claims as of May 9, 2019 (\$13,669.57)
 - g. Acceptance of Unaudited Financial Statements as of March 31, 2019
 - h. Ratification of Independent Contractor Agreement with Hydrosystems-KDI, Inc. for Irrigation and Water Management System

FINANCIAL MATTERS

Status of 2018 Audits (District Nos. 1 and 4) Mr. Chambers reported that the audits are in process and will be completed for the July meeting for consideration by the Boards.

LEGAL MATTERS

Update on Collections Matters Ms. Tanaka reported that there are currently 6 open collection files and 8 open foreclosure files with a total outstanding amount due of \$29,636.58. Ms. Tanaka noted that in 2019, \$24,469.51 has been collected.

DISTRICT MANAGER MATTERS

Update on Purchase of AED Units for Each Pool Ms. Borisov reported that the AED units have arrived and will be installed in the next few weeks with one at each clubhouse.

Update on Pools Ms. Borisov reported that the baby pool gate readers are still difficult. Tumblers have been installed to help with the process and to avoid recurring breakage of the block. We will see how it works and whether this should be done at the east pool.

The stone has been replaced. LED lights are being installed before the pool opens.

Approval of Proposal to Replace Pool Water Fountains (\$1,900 - \$2,500 per unit plus installation costs) Ms. Borisov presented the Boards with a proposal for the replacement of the pool water fountains in the amount of \$1,900 - \$2,500 per unit, plus installation costs. The Boards directed Ms. Borisov to research more options and proposals and bring back to the Boards for consideration for the 2020 season.

Update on Tennis Courts Ms. Borisov reported that the reader system on the tennis courts gates are very difficult and consistently have issues. Ms. Borisov noted that she is running out of options for these due to the options and an outside consultant may be needed to help find a permanent resolution. She will continue to monitor the situation and will report back to the Boards.

Update on Monument and Fence Damage from Car and Repairs to Same Ms. Borisov reported that she is working with the owner's insurance to get payment for the damage and if they do not pay then Ms. Borisov will work with the SDA Pool insurance to get the claim covered. Ms. Borisov will file the claim with the Pool to make sure this gets taken care of as soon as possible.

SAFETY AND SECURITY COMMITTEE MATTERS

General Update Mr. Carroll provided a general report on the status of matters in the Districts.

Update on Installation of Cameras on District Property Ms. Borisov noted that she was able to locate a solar option that may be able to be used for the areas which have no electricity. She and Mr. Carroll will work together to test these out to see how well they work.

Neighborhood Watch Meeting Mr. Rigberg reported that he attended the last Neighborhood Watch meeting which discussed traffic matters and there are 5 projects which are on the City's list, of which the Districts' project is one. The City has funding for all 5 projects and the Districts' project is listed as priority #3.

Grow houses are increasing and if people are installing more air conditioning units, that is a sign. Also cars visiting often during odd times is another sign.

DIRECTORS' MATTERS

Water Conservation and Landscape Projects Mr. Langley reported that no new projects are proposed for 2019 as the results from the prior years are being analyzed to determine how well they are working and whether to pursue more projects in the future. The work on Gartrell has begun and he will monitor this work.

Traffic Matters No new updates.

Detention Ponds Mr. Langley noted that the Districts have a dozen ponds that they are responsible for maintenance on and these will need to be incorporated into the long-term maintenance plan. He noted that one or two may need to have maintenance performed on a more immediate basis.

**STRUCTURAL AND
GOVERNANCE
COMMITTEE MATTERS**

Adoption of Resolution No. 2019-05-02: Dissolution of District No. 1 (District No. 1) Ms. Tanaka presented the Board of District No. 1 with Resolution No. 2019-05-02: Dissolution of District No. 1 for review and consideration.

Upon motion of Mr. R. Alpert, seconded by Ms. Bransfield the Board unanimously adopted Resolution No. 2019-05-02: Dissolution of District No. 1.

Status of Creation of Saddle Rock South Authority and Outstanding Questions and Direction from Board on Same Ms. Finco, special counsel for District Nos. 2, 3, and 4, and Ms. Tanaka updated the Boards on the status of the creation of the Saddle Rock South Authority and reviewed outstanding questions which require direction from the Boards to complete the Establishing Agreement.

Ms. Tanaka and Ms. Finco reported that the agreement will be presented to the Boards at the July meeting for consideration.

After discussion, the Boards decided on the following:

- Number of Board members on the Authority: 3 – one from each District
- Quorum: 2
- Have to be a director on the Board to be on the Authority
- Who is appointed to the Board: Each District elects the primary and alternate designee for the Board.
- How do you get someone off the Authority Board? District Board votes to change the designee to the Board.
- How long is a designee on the Board? For term of office or until changed by Board. If the District Board is tied, the majority of all Districts’ Boards present at the meeting vote.
- Voting: One vote per member.
- Compensation: \$100 per meeting for each designee attending the meeting.

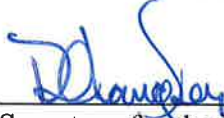
OTHER BUSINESS

Next Meeting The next joint regular meeting is scheduled for July 11, 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 Meeting