

RECORD OF PROCEEDINGS

MINUTES OF SPECIAL MEETINGS OF THE BOARDS OF DIRECTORS OF THE SERENITY RIDGE METROPOLITAN DISTRICT NOS. 1 AND 2 HELD OCTOBER 29, 2021

Special meetings of the Boards of Directors (the “Boards”) of the Serenity Ridge Metropolitan Districts Nos. 1 and 2 (hereinafter referred to as “District No. 1” and “District No. 2” respectively, and collectively the “Districts”) was duly held on Friday, the 29th day of October, 2021, at 10:00 A.M at McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado 80202. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in person contact, the District meetings were also held by conference call. The meetings were open to the public via conference call.

ATTENDANCE

Directors In Attendance Were:

Richard Frank
Daniel Frank

The absence of Director Marc Cooper was excused.

Also In Attendance Were:

David Solin and James Ruthven (for a portion of the meeting); Special District Management Services, Inc. (“SDMS”) (via telephone)
Paula Williams, Esq.; McGeady Becher P.C. (at the physical location)
Creig Veldhuizen; Hilltop Securities Inc. (via telephone, for a portion of the meeting)
Tiffany Leichman, Esq.; Sherman & Howard LLC (via telephone, for a portion of the meeting)
Brooke Hutchens; D.A. Davidson & Co. (via telephone, for a portion of the meeting)

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Boards discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Boards of Directors and to the Secretary of State. Attorney Williams noted that quorums were present and requested members of the Boards disclose any potential conflicts of interest with regard to any matters scheduled for discussion at the meetings, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Williams reported that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, and no additional conflicts were disclosed at the meeting.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: Mr. Solin reviewed with the Boards the proposed agenda for the Districts' Special Meetings.

Following discussion, upon motion duly made by Director R. Frank, seconded by Director D. Frank and, upon vote, unanimously carried, the agenda for the Districts' Special Meetings was approved, as amended and excused the absence of Director Marc Cooper.

Approval of Meeting Location: The Boards discussed the requirements of Section 32-1-903(1), C.R.S., concerning the location of the Districts' Board meetings.

Following discussion, upon motion duly made by Director R. Frank, seconded by Director D. Frank and, upon vote, unanimously carried, the Boards determined that due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in person contact, the Districts' meetings were held at McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado 80202, and was also held by conference call. The Boards further noted that notice of the time, date and conference bridge information was duly posted and that they have not received any objections, or any requests that the means of hosting the meeting be changed by taxpaying electors within the Districts' boundaries.

June 11, 2021 Minutes: The Boards reviewed the Minutes of the June 11, 2021 Special Meetings.

Following discussion, upon motion duly made by Director R. Frank, seconded by Director D. Frank and, upon vote, unanimously carried, the Boards approved the Minutes of the June 11, 2021 Special Meetings, as presented.

Resolution No. 2021-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices: Mr. Solin discussed with the Boards Resolution No. 2021-10-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

The Boards determined to meet at 10:00 a.m. on March 17, June 16, September 15 and December 15, 2022 via conference call.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Boards adopted Resolution No. 2021-11-01; Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

RECORD OF PROCEEDINGS

§32-1-809, C.R.S. Reporting Requirements (Transparency Notice): The Boards discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2022 and directed staff to post the Transparency Notice on the Special District Association’s website and the Districts’ website when available.

District Website: The Boards discussed the status of the district website, noting that the preference was to continue development through the Statewide Internet Portal Authority. There are no further updates at this time, and the Boards took no action.

Engagement of Archipelago Web Inc. or Other Provider for Website Creation and Maintenance Services: No action was taken by the Board.

Termination of the Eligible Government Entity Agreement with the Colorado State Internet Portal Authority: No action was taken by the Board.

PUBLIC COMMENT There were no public comments.

FINANCIAL MATTERS

Ratification of Claims (District No. 1): The Board of District No. 1 considered ratifying the approval of the payment of claims for the periods ending as follows:

	Period Ending June 30, 2021	Period Ending July 31, 2021	Period Ending Aug. 31, 2021	Period Ending Sept. 30, 2021
General Fund	\$ 3,848.50	\$ 6,463.30	\$ 9,944.08	\$ 4,825.28
Debt Service Fund	-0-	-0-	-0-	-0-
Capital Projects Fund	-0-	-0-	61,168.90	-0-
Total	\$ 3,848.50	\$ 6,463.30	\$ 71,112.98	\$ 4,825.28

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board of District No. 1 ratified approval of the payment of claims, as presented.

Payment of Current Claims (District No. 1): The Board of District No. 1 considered approval of the payment of claims for the period ending October 31, 2021, as follows:

General Fund	\$ 5,727.48
Debt Service Fund	-0-
Capital Projects Fund	-0-
Total Claims:	\$ <u>5,727.48</u>

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board of District No. 1 approved the payment of claims, as presented.

RECORD OF PROCEEDINGS

Unaudited Financial Statements: The Boards discussed the Districts' unaudited financial statements for the period ending September 30, 2021 and Schedules of Cash Position for the period ending September 30, 2021.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Boards accepted the Districts' unaudited financial statements for the period ending September 30, 2021 and Schedules of Cash Position for the period ending September 30, 2021.

2021 Application for Exemption from Audit (District No. 1): The Board of District No. 1 discussed the requirements for an audit.

Following discussion, upon motion duly made by Director R. Frank, seconded by Director D. Frank and, upon vote, unanimously carried, the Board approved the appointment of the District Accountant to prepare the Application for Exemption from Audit for 2021 for District No. 1.

2021 Audit (District No. 2): The Board discussed the need to engage an Auditor for the 2021 Audit for District No. 2.

Following discussion, upon motion duly made by Director R. Frank, seconded by Director D. Frank and, upon vote, unanimously carried, the Board approved the appointment of Director D. Frank to review and approve an Auditor engagement for District No. 2.

2021 Budget Amendment Hearing (District No. 1): The President opened the public hearing to consider the Resolution to Amend the 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2021 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received, and the public hearing was closed.

Following review and discussion, the Board determined that a 2021 Budget Amendment for District No. 1 was not necessary.

2021 Budget Amendment Hearing (District No. 2): The President opened the public hearing to consider the Resolution to Amend the 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution No. 2021-10-02 to Amend the 2021 Budget and the date, time and

RECORD OF PROCEEDINGS

place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received, and the public hearing was closed.

Following review and discussion, Director R. Frank moved to adopt the Resolution No. 2021-10-02 to Amend 2021 Budget, Director D. Frank seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-02 to Amend the 2021 Budget for District No. 2. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2022 Budget Hearing (District No. 1): The President opened the public hearing to consider the proposed 2022 Budget for District No. 1 and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

No public comments were received, and the public hearing was closed.

Mr. Solin reviewed the estimated 2021 expenditures and proposed 2022 expenditures.

The Board discussed the mill levy and determined that no mill levy will be certified for the General Fund.

Following discussion, the Board for District No. 1 considered the adoption of the Resolution No. 2021-10-02 to Adopt the 2022 Budget and Appropriate Sums of Money. Upon motion duly made by Director R. Frank, seconded by Director D. Frank and, upon vote, unanimously carried, Resolution No. 2021-10-02 to Adopt the 2022 Budget and Appropriate Sums of Money was adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies were authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2021. Mr. Solin was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Arapahoe County, not later than December 15, 2021. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2022. A copy of the adopted Resolution is attached to these Minutes and incorporated herein by this reference.

2022 Budget Hearing (District No. 2): The President opened the public hearing to consider the proposed 2022 Budget for District No. 2 and discuss related issues.

RECORD OF PROCEEDINGS

It was noted that publication of Notice stating that the Board would consider adoption of the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

No public comments were received, and the public hearing was closed.

Mr. Solin reviewed the estimated 2021 expenditures and the proposed 2022 expenditures.

Following discussion, the Board for District No. 2 considered the adoption of Resolution No. 2021-11-03 to Adopt the 2022 Budget and Appropriate Sums of Money and Resolution No. 2021-11-04 to Set Mill Levies (for the General Fund at 4.422 mills and Debt Service Fund at 40.868 mills, for a total mill levy of 45.290 mills). Upon motion duly made by Director R. Frank, seconded by Director D. Frank and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies were authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2021. Mr. Solin was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Arapahoe County, not later than December 15, 2021. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2022. Copies of the adopted Resolutions are attached to these Minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Boards considered authorizing the Districts' Accountant to prepare and sign the DLG-70 Mill Levy Certification forms for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director R. Frank, seconded by Director D. Frank and, upon vote, unanimously carried, the Boards authorized the Districts' Accountant to prepare and sign the DLG-70 Mill Levy Certification forms for certification to the Board of County Commissioners and other interested parties.

2023 Budget Preparation: The Boards discussed the preparation of the 2023 Budgets.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Boards approved the appointment of the District Accountant to prepare the 2023 Budgets.

The Boards determined to hold the public hearings to consider adoption of the 2023 Budgets on November 14, 2022, at 10:00 a.m.

RECORD OF PROCEEDINGS

Resolution No. 2020-11-05 Authorizing Adjustment of the District Mill Levy in Accordance with the District's Service Plan (District No. 2): The Board for District No. 2 reviewed Resolution No. 2021-10-05 Authorizing Adjustment of the District Mill Levy in Accordance with the District's Service Plan.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board for District No. 2 adopted Resolution No. 2021-10-05 Authorizing Adjustment of the District Mill Levy in Accordance with the District's Service Plan. A copy of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

Resolution Authorizing the Execution and Delivery of the Series 2021A-1 Loan Agreement by and between District No. 2 and Key Government Finance, Inc.:

The Board for District No. 2 reviewed a resolution authorizing the execution and delivery of the Series 2021A-1 Loan Agreement by and between District No. 2 and Key Government Finance, Inc. for the purpose of refunding its existing general obligation indebtedness, and Series 2021A-2 Loan Agreement by and between District No. 2 and Key Government Finance, Inc. for the purpose of funding amounts to pay or reimburse costs of public improvements.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board for District No. 2 adopted the resolution authorizing the execution and delivery of the Series 2021A-1 Loan Agreement by and between District No. 2 and Key Government Finance, Inc. for the purpose of refunding its existing general obligation indebtedness, and Series 2021A-2 Loan Agreement by and between District No. 2 and Key Government Finance, Inc. for the purpose of funding amounts to pay or reimburse costs of public improvements, subject to finalization of language regarding remedies. The Board further designated Director D. Frank as the Sales Delegate and Board Representative for the transactions.

Engagement of Sherman & Howard L.L.C. as Bond Counsel for the District No. 2 Loan Agreement: The Board for District No. 2 discussed the engagement of Sherman & Howard L.L.C. as bond counsel for the District No. 2 Loan Agreement.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board ratified the engagement of Sherman & Howard L.L.C. as bond counsel for the District No. 2 Loan Agreement.

Engagement of D.A. Davidson & Co. as Placement Agent for the District No. 2 Loan Agreement: The Board for District No. 2 discussed the the engagement of D.A. Davidson & Co. as placement agent for the District No. 2 Loan Agreement.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board approved the engagement of D.A. Davidson & Co. as placement agent for the District No. 2 Loan Agreement.

Engagement of Hilltop Securities Inc. as Municipal Advisor for the District No. 2 Loan Agreement: The Board for District No. 2 entered into discussion regarding the engagement of Hilltop Securities Inc. as municipal advisor for the District No. 2 Loan Agreement.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board approved the engagement of Hilltop Securities Inc. as municipal advisor for the District No. 2 Loan Agreement.

OPERATION AND MAINTENANCE MATTERS/CAPITAL PROJECT MATTERS

Letter from Aurora: Mr. Solin provided an update to the Boards on a letter from the City of Aurora regarding trash being dumped. It was determined that the trash was not on any Districts' property

Detention Pond Repairs: Mr. Solin provided an update to the Boards on the status of the detention pond repairs. It was noted that there would be an additional change order for rip rap installation at the outfall.

Signage Warning of Trespassing: Mr. Solin provided an update to the Boards on the status of the installation of signage warning of trespassing on District property.

LEGAL MATTERS

Resolution to Call the May 3, 2022 Regular Election (District No. 1): The Board for District No. 1 discussed the upcoming election and Resolution No. 2021-10-03 to Call the May 3, 2022 Regular Election.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board for District No. 1 adopted Resolution No. 2021-10-03 to Call the May 3, 2022 regular Election and appointed David Solin as the Designated Election Official and authorized him to perform all tasks required for the May 3, 2022 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Resolution to Call the May 3, 2022 Regular Election (District No. 2): The Board for District No. 2 discussed the upcoming election and Resolution No. 2021-10-07 to Call the May 3, 2022 Regular Election.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board for District No. 2 adopted Resolution No. 2021-10-07 to Call the May 3, 2022 regular Election and appointed David Solin as the Designated Election Official and authorized him to perform all tasks required for the May 3, 2022 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Resolution Regarding Continuing Disclosure Policies and Procedures for District No. 2: The Board for District No. 2 reviewed a Resolution Regarding Continuing Disclosure Policies and Procedures for District No. 2.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board adopted the Resolution Regarding Continuing Disclosure Policies and Procedures for District No. 2.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

There being no further business to come before the Boards at this time, upon motion duly made by Director R. Frank and seconded by Director D. Frank, upon vote, unanimously carried, the meetings were adjourned.

Respectfully submitted,

By



Secretary for the Meeting