

MINUTES OF A JOINT SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF PAINTED PRAIRIE METROPOLITAN DISTRICT NOS. 1-9 AND JOINT ORGANIZATIONAL MEETING OF THE BOARDS OF DIRECTORS OF PAINTED PRAIRIE METROPOLITAN DISTRICT NOS. 10-12

Held: Thursday, December 12, 2019 at 9:00 a.m. at 5750 DTC Parkway, Suite 210, Greenwood Village, CO 80111.

The special and organizational meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve, were in attendance:

Christopher Fellows
Tim O'Connor
Dustin Anderson
Douglas Hatfield

Director Taylor Turano was absent.

Also present were Clint C. Waldron, Esq. and Megan J. Murphy, White Bear Ankele Tanaka & Waldron, District General Counsel; Diane Wheeler, Simmons & Wheeler, P.C., District Accountant; Barney Fix, Merrick & Company, District Engineer; Sabrina Lopez, HG Management, District Manager; Laci Knowles, D.A. Davidson; Mike McGinnis, Greenberg Traurig, LLP, Bond Counsel; and Matthew Ruhland, Collins Cockrel & Cole, General Counsel to Painted Prairie Public Improvement Authority.

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| Meeting Notice and Posting | Ms. Murphy noted that the meeting had been noticed and posted in accordance with Colorado law. |
| Call to Order/Declaration of Quorum | Director Fellows noted that a quorum of the Boards was present and called the meeting to order. |
| Director Conflict of Interest Disclosures | Mr. Waldron advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Waldron 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. Mr. Waldron 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. |

Directors Fellows, O'Connor, Anderson and Turano noted that they are members of the Board of Directors of the Painted Prairie Owners Association. The Boards determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

Joint Meetings

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes is the action of each of the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

Approval of Agenda

The Boards reviewed the proposed agenda. Following discussion, upon motion duly made and seconded, the Boards unanimously approved the agenda as amended.

Public Comment

None.

Consider Appointment of Officers (District Nos. 10-12)

The Boards of District Nos. 10-12 engaged in general discussion regarding the appointment of officers. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 10-12 unanimously appointed Director Fellows as President, Director O'Connor as Secretary/Treasurer and Director Anderson as Assistant Secretary.

Legal Matters

Consider Approval of Resolution Approving and Authorizing Execution of the Painted Prairie Public Improvement Authority Amended and Restated Establishment Agreement (District Nos. 2-10)

Mr. Ruhland reviewed the Resolution Approving and Authorizing Execution of the Painted Prairie Public Improvement Authority Amended and Restated Establishment Agreement with the Boards of District Nos. 2-10. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 2-10 unanimously approved the Resolution Approving and Authorizing Execution of the Painted Prairie Public Improvement Authority Amended and Restated Establishment Agreement.

Consider Appointment of Directors to Authority Board (District Nos. 7-10)

The Boards of District Nos. 7-10 engaged in general discussion regarding appointment of Directors to Authority Board. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 7-10 unanimously determined to defer appointment of directors to the Authority.

Authority Bonds

Discussion Regarding Issuance of Special Revenue Bonds, Series 2019 by the

Ms. Knowles reviewed the Issuance of Special Revenue Bonds, Series 2019 by the Painted Prairie Public Improvement Authority with the Boards. She noted that the bonds are being marketed this

Painted Prairie Public
Improvement Authority

week, pricing is scheduled for December 19, 2019, closing is set for December 27, 2019 with the expectation that all final documents are recorded on December 26, 2019.

Director Fellows noted that the subordinate bond is a “fill up” bond for costs that are properly reimbursable by the Painted Prairie Public Improvement Authority (the “Authority”). He noted that the interest rate on the subordinate bonds will be 8.5%. Mr. Waldron noted that the Districts are required under the Consolidated Service Plan to engage an External Financial Advisor to provide a certificate stating that the interest rate is reasonable. Director O’Connor asked what will qualify for reimbursement. Mr. Waldron stated that reimbursements under the subordinate bond will be for the same category of costs as the Series 2018 bonds. Mr. McGinnis noted the maximum reimbursable amount under the subordinate bonds, noted that this will be a taxable instrument, the subordinate note will compound annually, and the interest will be paid when funds are available.

Director Fellows noted that there is a hard cap of 50 mills for repayment of the subordinate debt. Director Hatfield asked if there would be a special assessment for repayment of debt. Mr. Waldron added that the residential property is subject to a maximum mill levy and maximum mill levy imposition term unless the Board is composed of homeowners who decide to extend the term.

Mr. Waldron noted that legal has received phone calls from homebuilders regarding the disclosures that have been recorded.

Discussion Regarding
Capital Pledge Agreement
(District Nos. 2-10)

Mr. McGinnis reviewed the Capital Pledge Agreement with the Boards of District Nos. 2-10. He noted that each District will enter into a Pledge Agreement to pledge their debt service mill levy to the Authority, and the Authorizing Resolution authorizes the execution of the Pledge Agreement the issuance of the bonds by the Authority, and approval of all other bond documents.

Discussion Regarding
Capital Pledge Agreement
(District Nos. 3,4,5 and 10)

Previously discussed.

Discussion Regarding
Capital Pledge Agreement
(District Nos. 6-9)

Previously discussed.

Consent Agenda

Director Fellows reviewed the items on the consent agenda with the Boards. Mr. Waldron advised the Boards that any item may be removed from the consent agenda to the regular agenda upon the request of any director. No items were requested to be removed

from the consent agenda. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved, ratified and adopted:

- Joint Resolution Designating the District's 24-hour Posting Location (District Nos. 10-12)
- Joint Public Records Request Policy (District Nos. 1-12)
- Approval Resolution Adopting the Colorado Special District Records Retention Schedule (District Nos. 1-12)
- Approval of Notice to Electors - § 32-1-809, C.R.S. (District Nos. 10-12)
- Acknowledge Recording of Special District Public Disclosure Document as required by § 32-1-104.8, C.R.S. (District Nos. 10-12)
- Intergovernmental Agreement with the City of Aurora Regarding the Service Plan (District Nos. 10-12)
- Resolution Adopting Personal Data Privacy Policy (District Nos. 1-12)
- Agency Services Agreement with T. Charles Wilson Insurance Services (District Nos. 10-12)
- Authorize Filing of Exclusion of Uncompensated Public Officials form for 2019 Policy Period (District Nos. 10-12)
- Disclosure to Purchasers Pursuant to Article X of the Service Plan (District Nos. 1-12)

Development Matters

Discuss Construction Deferred.
Updates

Discuss and Approve Change
Orders (District No. 1)

Consider Approval of Change
Order No. 15 with HEI in the
amount of \$180,000 (District
No. 1)

Mr. Fix reviewed Change Order No. 15 with HEI in the amount of \$180,000 with the Board of District No. 1. Following discussion, upon a motion duly made and seconded, the Board of District No. 1 unanimously approved Change Order No. 15 with HEI in the amount of \$180,000 subject to final review by Mr. Fix and Director Fellows.

Consider Approval of Change
Order No. 7 with ECI in the
Amount of \$29,642 for Anti-
Graffiti Paint

Mr. Fix reviewed Change Order No. 7 with ECI in the amount of \$29,642 for anti-graffiti paint with the Board of District No. 1. Following discussion, upon a motion duly made and seconded, the Board of District No. 1 unanimously approved Change Order No. 7 with ECI in the amount of \$29,642.

Insurance & Liability

Discuss Director Liability Issues and Memorandum Re: Crime Coverage, Fidelity Bonds and Designated Agent Endorsements

Mr. Waldron reviewed the Director Liability Issues and Memorandum Re: Crime Coverage, Fidelity Bonds and Designated Agent Endorsements with the Boards. The Boards engaged in general discussion. No action necessary.

Discuss Insurance Requirements (public official's liability, general liability, workers' compensation, comprehensive crime) and Consider Adoption of Resolution Approving an IGA with the Colorado Special Districts Property and Liability Pool and Authorize Membership in the Special District Association (District Nos. 10-12)

The Boards of District Nos. 10-12 engaged in general discussion regarding insurance requirements. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 10-12 unanimously adopted the Resolution Approving an IGA with Colorado Special District Property and Liability Pool and authorized legal counsel to apply for memberships with the Special District Association.

Consider Approval of Agency Services Agreement with T. Charles Wilson Insurance Services (District Nos. 10-12)

The Boards of District Nos. 10-12 reviewed the Agency Services Agreement with T. Charles Wilson Insurance Services. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 10-12, approved the Agency Services Agreement with T. Charles Wilson.

Consider Approval of Property and Liability Insurance Limits and Deductibles and Worker's Compensation Policies (District Nos. 10-12)

The Boards of District Nos. 10-12 discussed the Property and Liability Proposals and Exclusion from Worker's Compensation insurance. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 10-12 unanimously approved the property and liability schedule and limits as presented and directed legal counsel to exclude from Worker's Compensation insurance.

Engagement of Consultants

Consider Approval of Engagement Letters with White Bear Ankele Tanaka & Waldron for Legal Services (District Nos. 10-12)

Mr. Waldron reviewed the Engagement Letters with White Bear Ankele Tanaka & Waldron with the Boards of District Nos. 10-12. Mr. Waldron stated that as he is not independent as to the engagement, the Boards are advised to have separate legal counsel review the engagement letters. The Boards of District Nos. 10-12 declined to engage separate legal counsel to review the letters. Following discussion, upon a motion duly made and seconded, and upon a vote, unanimously carried, the Boards of District Nos. 10-12 approved the engagement letters with White Bear Ankele Tanaka & Waldron.

Consider Approval of Engagement Letter with Simmons & Wheeler, P.C. for Accounting Services (District Nos. 10-12)

Ms. Wheeler reviewed the Engagement Letter with Simmons & Wheeler, P.C. for Accounting Services with the Boards of District Nos. 10-12. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 10-12 unanimously approved the Engagement Letter with Simmons & Wheeler, P.C. for accounting services.

Consider Approval of Engagement Letter with Ballard Spahr, LLP as Special Counsel (District Nos. 2-10)

Mr. Waldron reviewed the Engagement Letter with Ballard Spahr, LLP as Special Counsel with the Boards of District Nos. 2-10. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 2-10 unanimously approved the Engagement Letter with Ballard Spahr, LLP as Special Counsel.

Consider Approval of Engagement of HG Management for District Management Services (District Nos. 10-12)

Ms. Lopez will provide proposal for District Nos. 10-12 for consideration at the next meeting.

Legal Matters

Consider Approval of Joint Resolution Calling May 5, 2020 Elections (District Nos. 10-12)

Mr. Waldron reviewed the Joint Resolution Calling May 5, 2020 Elections with the Boards of District Nos. 10-12. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 10-12 unanimously approved the Joint Resolution Calling May 5, 2020 Elections.

Consider Adoption of 2019 and 2020 Joint Annual Administrative Resolution

Mr. Waldron reviewed the 2019/2020 Joint Annual Administrative Resolution with the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the 2019 and 2020 Joint Annual Administrative Resolution.

Discuss and Consider Adoption of Joint Resolution Providing for the Defense and Indemnification of Directors and Employees of the Districts

Mr. Waldron reviewed the Joint Resolution Providing for the Defense and Indemnification of Directors and Employees of the Districts with the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the Joint Resolution Providing for the Defense and Indemnification of Directors and Employees of the Districts.

Consider Adoption of Resolution Concerning the Imposition of a Park and Rec. Fee (District Nos. 8 & 10)

Deferred.

Discussion Regarding Deferred.
Amended and Restated
Consolidated Service Plan
(District Nos. 10-12)

Consider Ratification of Mr. Waldron reviewed the Special Disclosure of Costs for Legal
Special Bond Fee Disclosure Services in Connection with Bonds from White Bear Ankele
with White Bear Ankele Tanaka & Waldron with the Boards of District Nos. 2-10.
Tanaka & Waldron for Legal Following discussion, upon a motion duly made and seconded, the
Services (District Nos. 2-10) Boards of District Nos. 2-10 unanimously ratified the Special
Disclosure of Costs for Legal Services in Connection with Bonds
from White Bear Ankele Tanaka & Waldron. The Board requested
the fee be paid out of closing costs.

Consider Approval of Mr. Waldron reviewed the Funding and Reimbursement
Funding and Reimbursement Agreements with Painted Prairie Owner Phase I, LLC with the
Agreements with Painted Boards. Following discussion, upon a motion duly made and
Prairie Owner Phase I, LLC seconded, the Boards unanimously approved the Funding and
(District Nos. 1-12) Reimbursement Agreements with Painted Prairie Owner Phase I,
LLC.

Consider Termination of Mr. Waldron reviewed the Termination of Reimbursement
Reimbursement Agreement (Operations) with Painted Prairie Owner Phase I, LLC
(Operations) with Painted and RRC Development, Inc. with the Boards of District Nos. 1-9.
Prairie Owner Phase I, LLC Following discussion, upon a motion duly made and seconded, the
and RRC Development, Inc. Boards of District Nos. 1-9 unanimously approved the
(District Nos. 1-9) Termination of Reimbursement Agreement (Operations) with
Painted Prairie Owner Phase I, LLC and RRC Development, Inc.

Consider Approval of Mr. Ruhland and Mr. Waldron reviewed the Infrastructure
Infrastructure Acquisition Acquisition between Painted Prairie Public Improvement
Agreement between Painted Authority and Painted Prairie Metropolitan District No. 1 with the
Prairie Public Improvement Boards. Deferred.
Authority and Painted
Prairie Metropolitan District
No. 1

Consider Approval of Mr. Ruhland and Mr. Waldron reviewed the Assignment of
Assignment of Facilities Facilities Funding and Acquisition Agreement between Painted
Funding and Acquisition Prairie Metropolitan District Nos. 1-9 and Painted Prairie Public
Agreement between Painted Improvement Authority with the Boards of District Nos. 1-9.
Prairie Metropolitan District Following discussion, upon a motion duly made and seconded, the
Nos. 1-9 and Painted Prairie Boards of District Nos. 1-9 unanimously approved the
Public Improvement Assignment of Facilities Funding and Acquisition Agreement
Authority between Painted Prairie Metropolitan District Nos. 1-9 and
Painted Prairie Public Improvement Authority.

Other Legal Matters None.

Financial Matters

Discussion Regarding Billing

The Boards engaged in general discussion regarding billing and directed legal counsel to bill to each district separately. The Boards engaged in general discussion regarding the collection of the Park and Rec. Fee. Following discussion, upon a motion duly made and seconded, the Boards unanimously determined that Simmons & Wheeler will handle collection.

Review and Consider Acceptance of Financial Statements (District Nos. 1 & 2)

Deferred.

Consider Approval of Requisition No. 13/Draw No. 4 from Escrow Funds (District No. 1)

Ms. Wheeler reviewed Requisition No. 13 with the Board of District No. 1. Following discussion, upon a motion duly made and seconded, the Board of District No. 1 unanimously approved Requisition No. 13.

Consider Approval of Execution of (1) Form SS-4 Application for Federal Employer Identification Number; (2) Application for Colorado Sales Tax Exemption Number; and (3) Application for Assignment of PDPA Numbers (District Nos. 10-12)

The Boards of District Nos. 10-12 engaged in general discussion regarding the application for Federal Employer Identification Numbers, Colorado Sales Tax Exemption Numbers, and PDPA Numbers. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 10-12 directed legal counsel to obtain Federal Employer Identification Numbers, Colorado Sales Tax Exemption Numbers, and PDPA Numbers.

Discuss and Consider Establishment of Bank Accounts and Authorize Signers on the Accounts (with all checks requiring two signatures) (District Nos. 10-12)

The Boards of District Nos. 10-12 engaged in general discussion regarding establishing bank accounts. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 10-12 unanimously approved establishing bank accounts and authorized all Directors of District Nos. 10-12 as signers on the Districts' accounts.

Public Hearing on 2019 Budget (District No. 10)

Director Fellows opened the public hearing on the 2019 Budget for District No. 10. Mr. Waldron noted that the public hearing was posted in accordance with Colorado law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

Consider Approval of Resolution Adopting the

Ms. Wheeler reviewed the 2019 Budget Resolution with the Board of District No. 10. Following discussion, upon a motion duly made and seconded, the Board of District No. 10 unanimously approved

2019 Budget (District No. 10)

the resolution adopting the 2019 Budget, appropriating funds therefore.

Public Hearing on 2019 Budget (District No. 11)

Director Fellows opened the public hearing on the 2019 Budget for District No. 11. Mr. Waldron noted that the public hearing was posted in accordance with Colorado law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

Consider Approval of Resolution Adopting the 2019 Budget (District No. 11)

Ms. Wheeler reviewed the 2019 Budget Resolution with the Board of District No. 11. Following discussion, upon a motion duly made and seconded, the Board of District No. 11 unanimously approved the resolution adopting the 2019 Budget, appropriating funds therefore.

Public Hearing on 2019 Budget (District No. 12)

Director Fellows opened the public hearing on the 2019 Budget for District No. 12. Mr. Waldron noted that the public hearing was posted in accordance with Colorado law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

Consider Approval of Resolution Adopting the 2019 Budget (District No. 12)

Ms. Wheeler reviewed the 2019 Budget Resolution with the Board of District No. 12. Following discussion, upon a motion duly made and seconded, the Board of District No. 12 unanimously approved the resolution adopting the 2019 Budget, appropriating funds therefore.

Public Hearing on 2020 Budget (District No. 10)

Director Fellows opened the public hearing on the proposed 2020 Budget for District No. 10. Mr. Waldron noted that the public hearing was posted in accordance with Colorado law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

Consider Approval of Resolution Adopting the 2020 Budget (District No. 10)

Ms. Wheeler reviewed the 2020 Budget Resolution with the Board of District No. 10. Following discussion, upon a motion duly made and seconded, the Board of District No. 10 unanimously approved the resolution adopting the 2020 Budget, appropriating funds therefore and certifying 69.164 mills for the general fund.

Public Hearing on 2020 Budget (District No. 11)

Director Fellows opened the public hearing on the proposed 2020 Budget for District No. 11. Mr. Waldron noted that the public hearing was posted in accordance with Colorado law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

Consider Approval of Resolution Adopting the

Ms. Wheeler reviewed the 2020 Budget Resolution with the Board of District No. 11. Following discussion, upon a motion duly made and seconded, the Board of District No. 11 unanimously approved

2020 Budget (District No. 11)

the resolution adopting the 2020 Budget, appropriating funds therefore and certifying 69.164 mills for the general fund.

Public Hearing on 2020 Budget (District No. 12)

Director Fellows opened the public hearing on the proposed 2020 Budget for District No. 12. Mr. Waldron noted that the public hearing was posted in accordance with Colorado law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

Consider Approval of Resolution Adopting the 2020 Budget (District No. 12)

Ms. Wheeler reviewed the 2020 Budget Resolution with the Board of District No. 12. Following discussion, upon a motion duly made and seconded, the Board of District No. 12 unanimously approved the resolution adopting the 2020 Budget, appropriating funds therefore and certifying 69.164 mills for the general fund.

Reaffirmation of 2019 Mill Levies for all Districts

The Boards engaged in discussion regarding the 2019 Mill Levies for 2020 Collection. Following discussion, upon a motion duly made and seconded, the Boards unanimously reaffirmed the mill levies.

Consider Approval of Resolution Approving the Application for Exemption from Audit for the 2019 Fiscal Year (District Nos. 10-12)

Ms. Wheeler reviewed the Resolution Approving the Application for Exemption from Audit for the 2019 Fiscal Year with the Boards of District Nos. 10-12. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 10-12 unanimously adopted the Resolution Approving the Application for Exemption from Audit for the 2019 Fiscal Year.

None.

Other Financial Matters

Other Business

The next Board meeting is scheduled for December 16, 2019 at 1:30p.m.

Adjourn

There being no further business to come before the Boards, and following discussion and upon motion duly made, seconded and unanimously carried, the Boards determined to adjourn the meeting.

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



Secretary for the Meeting, District No. 1

The foregoing minutes were approved on the 11th day of February, 2020.



Secretary for the Meeting, District Nos. 2-12

The foregoing minutes were approved on the 11th day of
February, 2020