

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PRAIRIESTAR METROPOLITAN DISTRICT NO. 1 HELD JUNE 29, 2020

A Special Meeting of the Board of Directors of the PrairieStar Metropolitan District No. 1 (referred to hereafter as "Board") was convened on Wednesday, the 29th day of June, 2020, at 6:30 P.M., the meeting was held via conference call due to the State of Emergency declared by Governor Polis and Public Health Order 20-23 Implementing Social Distancing Measures, and threat posed by the COVID-19 coronavirus. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Scott Sarbaugh
Neil Almy
Richard McCabe

Upon motion duly made by Director Sarbaugh, seconded by Director McCabe and, upon vote, unanimously carried, the absences of Jennifer Davis and Kathy Sidney were excused.

Also In Attendance Were:

Judy Leyshon and Peggy Ripko; Special District Management Services, Inc.

MaryAnn McGeady, Esq. and Kate Olson, Esq.; McGeady Becher P.C.

Diane Wheeler; Simmons & Wheeler, P.C.

Kristyn Degi; Community Liaison

Ryan Arnold; PrairieStar Development Representative

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Ms. Leyshon noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members in accordance with the statute. Attorney Olson noted that all Directors' Disclosure Statements had been filed.

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ADMINISTRATIVE MATTERS

Agenda: Ms. Leyshon distributed for the Board's review and approval a proposed Agenda for the District's special meeting.

Following discussion, upon motion duly made by Director McCabe, seconded by Director Sarbaugh and, upon vote, unanimously carried, the Board approved the Agenda.

Approval of Meeting Location: The Board entered into discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, and upon motion duly made by Director McCabe, seconded by Director Sarbaugh and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of COVID-19 and the spread of the virus by limiting in-person contact, the District Board meeting was held and properly noticed to be held via teleconference, without any individuals (neither District representatives nor the general public) attending in person. The Board further noted that notice providing the 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 tax paying electors within the District's boundaries.

CONSENT AGENDA:

The Board considered the following items on the consent Agenda:

- Approval of Minutes of the September 11, 2019 Special meeting.
- Ratify approval of Orkin Commercial Mosquito Service Agreement between the District and Orkin, LLC.

Following discussion, upon motion duly made by Director Sarbaugh, seconded by Director Almy and, upon vote unanimously carried, the Board approved and/or ratified, as appropriate, the above Consent Agenda items.

May 5, 2020 Election: Ms. Leyshon noted for the Board that the May 5, 2020 election was cancelled, as allowed under Colorado law, by the Designated Election Official because there were no more candidates than positions available on the Board of Directors. Directors Sidney and Davis were deemed elected to 3-year terms ending in May, 2023.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Sarbaugh, seconded by Director McCabe and, upon vote, unanimously carried, the following slate of officers was appointed:

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President	Scott Sarbaugh
Treasurer	Neil Almy
Secretary	Judy Leyshon
Assistant Secretary	Jennifer Davis
Assistant Secretary	Richard McCabe
Assistant Secretary	Kathy Sidney

PUBLIC COMMENT

Note to reader: Pursuant to the Joint Resolution between District No. 1 and No. 2 regarding adoption of Policies and Procedures Governing the Enforcement of the Protective Covenants of PrairieStar - District No. 1 is the Operating District and District No. 2 is the Taxing District. It is the intent that District No. 2 provide covenant enforcement services and that District No. 1 provide all improvements and perform all services on behalf of the Districts.

Public Comment: There were no public comments made at this time.

FINANCIAL MATTERS

Payment of Claims: The Board reviewed and considered ratifying the payment of claims as follows:

Fund	Period Ending Sept. 12, 2019	Period Ending Oct. 23, 2019	Period Ending Nov. 15, 2019	Period Ending Dec. 17, 2019
General	\$ 13,073.77	\$ 37,745.72	\$ 208,728.42	\$ 11,744.52
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 13,073.77	\$ 37,745.72	\$ 208,728.42	\$ 11,744.52

Fund	Period Ending Jan. 16, 2020	Period Ending Feb. 13, 2020	Period Ending March 10, 2020	Period Ending April 14, 2020
General	\$ 5,386.23	\$ 8,049.10	\$ 6,415.08	\$ 6,939.13
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ 4,702.30	\$ -0-
Total	\$ 5,386.23	\$ 8,049.10	\$ 11,117.38	\$ 6,939.13

Fund	Period Ending May 14, 2020
General	\$ 7,119.86
Debt	\$ -0-
Capital	\$ -0-
Total	\$ 7,229.86

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Following review and discussion, upon motion duly made by Director McCabe, seconded by Director Almy and, upon vote, unanimously carried, the Board ratified approval of the payment of claims as presented.

Claims: The Board considered approval of the payment of claims through the period ending June 15, 2020, in the amount of \$10,264.60.

Following discussion, upon motion duly made by Director Sarbaugh, seconded by Director McCabe and, upon vote, unanimously carried, the Board approved the payment of claims through the period ending June 15, 2020, in the amount of \$10,264.60.

Unaudited Financials: Ms. Wheeler presented to the Board the unaudited financial statements through the period ending March 31, 2020.

Following review and discussion, upon motion duly made by Director Almy, seconded by Director McCabe and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through the period ending March 31, 2020, as presented.

2019 Budget Amendment Hearing: The President opened the public hearing to consider Amending the 2019 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 2019 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.

The public hearing was closed.

Following review and discussion, Director Sarbaugh moved to adopt the Resolution to Amend the 2019 Budget, Director Almy seconded the motion and, upon vote, unanimously carried, the Board adopted the Second Resolution to Amend the 2019 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2020 Budget Amendment Hearing: The President opened the public hearing to consider Amending the 2020 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 2020 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.

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The public hearing was closed.

Following review and discussion, Director McCabe moved to adopt the Resolution to Amend the 2020 Budget, Director Almy seconded the motion and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2020 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2019 Audit: Ms. Wheeler reviewed the 2019 Audited Financial Statements with the Board.

Following review and discussion, upon motion duly made by Director Sarbaugh, seconded by Director Almy and, upon vote, unanimously carried, the Board approved the 2019 Audited Financial Statements and authorized execution of the Representations Letter.

6th Certification of District Eligible Improvement Costs: The Board reviewed the 6th Certification of Costs performed by Manhard Consulting, Ltd. of District eligible improvements totaling \$2,883,028.45.

Following discussion, upon motion duly made by Director Sarbaugh, seconded by Director McCabe and, upon vote, unanimously carried, the Board accepted the 6th Certification of Costs of District eligible improvements totaling \$2,883,028.45.

LEGAL MATTERS

McGeady Becher P.C. District Records Retention Policy: Attorney McGeady presented to the Board the update to the McGeady Becher Records Retention Policy.

Following discussion, the Board acknowledged the update and directed a copy of the approved the McGeady Becher Records Retention Policy be attached to the Minutes for this meeting. Accordingly, a copy of the updated Document Retention Policy is attached hereto and incorporated herein by this reference.

OTHER MATTERS


The Board discussed changing the Budget Hearing to either October or November of 2020. The preliminary assessed valuation will not be ready until October 13, 2020. The Board determined to keep the September 16, 2020 Board meeting.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Sarbaugh, seconded by Director Almy and, upon vote, unanimously carried, and the meeting was adjourned.

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Respectfully submitted,

By 
Secretary for the Meeting

SECOND RESOLUTION TO AMEND 2019 BUDGET
PRAIRIESTAR METROPOLITAN DISTRICT NO. 1

WHEREAS, the Board of Directors of the PrairieStar Metropolitan District No. 1 amended the adopted a budget and appropriated funds for the fiscal year 2019 as follows:

General Fund	\$	159,908
Debt Service Fund	\$	-0-
Capital Projects Fund	\$	32,500

WHEREAS, the necessity has arisen for additional expenditures in the General Fund and Capital Projects Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2019; and

WHEREAS, the expenditure of such funds could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the General Fund from developer advance, transfer fees and landscape review fees;

WHEREAS, funds are available for such expenditures in the Capital Projects Fund from developer advance.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the PrairieStar Metropolitan District No. 1 shall and hereby does amend the amended Budget for the fiscal year 2019 and adopts a supplemental budget and appropriation for the General Fund and Capital Projects Fund for the fiscal year 2019, as follows:

General Fund	\$	170,000
Capital Projects Fund	\$	3,200,000

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 29th day of June, 2020.

PRAIRIESTAR METROPOLITAN DISTRICT
NO. 1

By: 
Secretary

PrairieStar Metropolitan District No. 1
Amended Budget
General Fund
For the Year ended December 31, 2019

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>6/30/2019</u>	Amended <u>2019</u>
Beginning fund balance	\$ 1,954	\$ 1,954	\$ 440	\$ 440
Revenues:				
Transfer Fees	9,525	1,800	6,150	10,000
Landscape Review Fees	3,950	2,000	4,600	7,500
Developer advances	58,881	31,935	74,151	95,000
Transfer from District No. 2	34,929	53,620	54,166	57,603
Transfer from District No. 3	-	500	-	1
Miscellaneous Income	3,276	620	2	10
Total revenues	<u>110,561</u>	<u>90,475</u>	<u>139,069</u>	<u>170,114</u>
Total funds available	<u>112,515</u>	<u>92,429</u>	<u>139,509</u>	<u>170,554</u>
Expenditures:				
Accounting	3,647	8,000	8,916	17,000
Audit	5,573	6,800	-	12,500
Election	2,187	-	-	-
Insurance/SDA	6,105	7,250	6,360	6,360
Legal	20,386	15,000	35,763	45,000
Common area landscaping	-	-	-	-
Social activities	-	-	-	-
Utilities	8,930	-	2,499	7,500
Management fees	48,564	12,000	23,910	40,000
Miscellaneous	2,877	5,000	4,439	16,640
Covenant Control Enforcement	13,806	24,000	8,050	25,000
Legal-Covenant Enforcement	-	10,000	-	-
Emergency reserve (3%)	-	2,425	-	-
Total expenditures	<u>112,075</u>	<u>90,475</u>	<u>89,937</u>	<u>170,000</u>
Ending fund balance	<u>\$ 440</u>	<u>\$ 1,954</u>	<u>\$ 49,572</u>	<u>\$ 554</u>
Assessed valuation		<u>\$ 10</u>		
Mill Levy		<u>11.055</u>		

PrairieStar Metropolitan District No. 1
Amended Budget
Capital Projects Fund
For the Year ended December 31, 2019

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>6/30/2019</u>	Amended <u>2019</u>
Beginning fund balance	\$ (3,839)	\$ -	\$ (4,744)	\$ (4,744)
Revenues:				
Developer advances	3,891,698	32,500	14,849	3,150,000
Miscellaneous	-	-	-	-
Total revenues	<u>3,891,698</u>	<u>32,500</u>	<u>14,849</u>	<u>3,150,000</u>
Total funds available	<u>3,887,859</u>	<u>32,500</u>	<u>10,105</u>	<u>3,145,256</u>
Expenditures:				
Accounting	3,148	-	-	-
Legal	11,024	10,000	-	-
Management fees	8,055	7,500	-	-
Construction	<u>3,870,376</u>	<u>15,000</u>	<u>10,105</u>	<u>3,145,000</u>
Total expenditures	<u>3,892,603</u>	<u>32,500</u>	<u>10,105</u>	<u>3,145,000</u>
Ending fund balance	<u>\$ (4,744)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -256</u>

RESOLUTION TO AMEND 2020 BUDGET
PRAIRIESTAR METROPOLITAN DISTRICT NO. 1

WHEREAS, the Board of Directors of the PrairieStar Metropolitan District No. 1 adopted a budget and appropriated funds for the fiscal year 2020 as follows:

General Fund	\$	159,908
Debt Service Fund	\$	-0-
Capital Projects Fund	\$	-0-

WHEREAS, the necessity has arisen for additional expenditures in the Capital Projects Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2020; and

WHEREAS, the expenditure of such funds could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the Capital Projects Fund from developer advance.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the PrairieStar Metropolitan District No. 1 shall and hereby does amend the adopted Budget for the fiscal year 2020 and adopts a supplemental budget and appropriation for the Capital Projects Fund for the fiscal year 2020, as follows:

Capital Projects Fund	\$	3,000,000
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BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 29th day of June, 2020.

PRAIRIESTAR METROPOLITAN DISTRICT
NO. 1

By: 
Secretary

PrairieStar Metropolitan District No. 1
Amended 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>	Estimate <u>2019</u>	Adopted Budget <u>2020</u>	Amended Budget <u>2020</u>
Beginning fund balance	\$ (3,839)	\$ -	\$ (4,744)	\$ (4,744)	\$ 256	\$ 256
Revenues:						
Developer advances	3,891,698	32,500	14,849	3,150,000	-	3,000,000
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>3,891,698</u>	<u>32,500</u>	<u>14,849</u>	<u>3,150,000</u>	<u>-</u>	<u>3,000,000</u>
Total funds available	<u>3,887,859</u>	<u>32,500</u>	<u>10,105</u>	<u>3,145,256</u>	<u>256</u>	<u>3,000,256</u>
Expenditures:						
Accounting	3,148	-	-	-	-	-
Legal	11,024	10,000	-	-	-	-
Management fees	8,055	7,500	-	-	-	-
Construction	<u>3,870,376</u>	<u>15,000</u>	<u>10,105</u>	<u>3,145,000</u>	<u>-</u>	<u>3,000,000</u>
Total expenditures	<u>3,892,603</u>	<u>32,500</u>	<u>10,105</u>	<u>3,145,000</u>	<u>-</u>	<u>3,000,000</u>
Ending fund balance	<u>\$ (4,744)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256</u>	<u>\$ 256</u>	<u>\$ 256</u>

Document Retention Policy

Types of Documents

In representing you we will, or may, take possession of, create, and/or keep various types of documents. These consist of documents you provide to us, documents which constitute the District's official public record, and internal documents we create to assist us in providing services to you.

Documents You Provide to Us

It is our policy to copy and return original documents you provide to us as soon as practicable. Exceptions to this policy are original documents which should be kept as part of the District's official public record, instances where we must have an original document to represent you, and cases where we have affirmatively agreed retain a document for safekeeping.

The District's Record

As a part our engagement, we will maintain the District's official public Record (the "Record"). The Record is a highly useful and detailed compilation of documents reflecting the official actions of the District and serves multiple functions. First, it collects those documents which the public is entitled to inspect and copy under various state and federal public records and freedom of information statutes. Second, it organizes the records of the District - such as its contracts, land and title records, and easements - in a manner which is useful in conducting the ongoing business of the District. Third, the Record helps expedite the District's annual audit process. Fourth, in the event you should change legal counsel or employ in-house counsel, the Record will enable that counsel to understand the status and assume representation of the District with maximum efficiency.

The Record includes the District's organizational documents, fully-executed agreements which are still in effect, rules, regulations, resolutions adopted by the District, official minutes books, meeting notices, agendas, insurance policies, District maps, election records, bond documents, audit documents, and many more. A comprehensive list of documents comprising the Record is available from us at any time upon request.

Creating and maintaining the Record is an important and complex task, and you agree to pay our actual costs and hourly fees associated with doing this.

Supplemental Documents

All other documents created in course of representing you are referred to as Supplemental Documents. These include our notes, drafts, memoranda, worksheets, electronic communications, and other electronic documents stored in various media or file servers.

Documents We Retain

Except as provided in this Document Retention Policy or an amendment thereto, we will keep the Record and any original documents accepted by us for safekeeping so long as we represent you.

Delivery of the Record

Once a matter is concluded, or our representation terminated, we deliver to you or the District's designee the original, printed Record, together with any original documents we have accepted for safekeeping, provided our fees and costs have been paid in full.

If you do not designate someone to receive these records, we will deliver them to a then-current officer or director of the District. If we are unable to deliver these documents for any reason, we may retain, destroy, or otherwise dispose of them in manner which assures their continued confidentiality within thirty (30) days of our concluding that an authorized recipient cannot be readily located.

We will also confidentially destroy the Record of any District in our possession if a final order of dissolution of the District is entered.

All other documents, including all Supplemental Documents, are routinely, periodically, confidentially, and permanently purged by us once they are no longer useful to us in providing services to you.