

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE ORCHARD FARMS METROPOLITAN DISTRICT HELD NOVEMBER 12, 2020

The Special Meeting of the Board of Directors (the “Board”) of the Orchard Farms Metropolitan District (the “District”) was held on Thursday, November 12, 2020, at 9:00 a.m., via video conference. The meeting was open to the public.

Directors In Attendance Were:

Ambra Born
Randall Stutz
Christopher Elliott
John Cheney
Brian McNelly

Also In Attendance Were:

Anna Jones, Jordan Honea and Ben Houghton; CliftonLarsonAllen LLP (“CLA”)
Megan Murphy, Esq. General Counsel; White Bear Ankele Tanaka and Waldron
Debra Hessler; Lennar Homes
Susie Ellis: Inspection Manager; Community Preservation Specialists, Inc.

1. CALL TO ORDER

The meeting was called to order at 9:04 a.m.

2. DECLARATION OF QUORUM / REAFFIRMATION OF DISCLOSURES

Ms. Murphy advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Murphy reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of 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. Murphy 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 participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

3. APPROVAL OF THE AGENDA

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The Board reviewed the proposed agenda. Following discussion and upon a motion duly made by Director Stutz, seconded by Director Elliott, and upon a vote, unanimously carried, the Board approved the agenda as amended.

4. PUBLIC COMMENTS

There were no public comments.

5. CONSENT AGENDA

- A. Approval of September 10, 2020 Minutes
- B. Ratification of Interim Claims Payable in the amount of \$99,023.23
- C. Renewal of Property and Liability Coverage and Workers Compensation Coverage and SDA Membership
- D. Approval of Notice of Electors Pursuant to § 32-1-809, C.R.S.

Ms. Jones noted that the Property and Liability schedule had not yet been received from the Special District Pool.

Ms. Murphy reviewed the Notice to Electors with the Board.

The Board reviewed the Consent Agenda and upon a motion duly made by Director Stutz, seconded by Director Elliott, and upon a vote, unanimously carried, the Board approved the Consent Agenda as amended and authorized Ms. Jones to bind insurance coverage upon receipt of the Property and Liability schedule.

6. FACILITIES MANAGEMENT / DISTRICT OPERATIONS

A. Review District Manager's Report

Ms. Jones reviewed the District Manager's report with the Board. The Board had questions regarding timing of snow removal. Ms. Jones will reach out to BrightView and will report back with a response. Upon a motion duly made by Director McNelly, seconded by Director Born, and upon a vote, unanimously carried, the Board approved the Manager's Report as presented.

B. Committee Reports

i. Social Committee

Director Born reported on the Halloween event and indicated the intent to hold a similar event for the Christmas Holiday.

ii. Landscaping Committee

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Director Stutz indicated that the public improvement map needs updating. Ms. Jones and Ms. Murphy will coordinate to have the updated map prior to the next meeting.

1. Review and Consider Approval of 2021 Landscaping Maintenance Services with BrightView Landscaping - \$57,899

Ms. Jones reviewed the 2021 Landscaping Maintenance Services agreement with BrightView, noting a 3% increase.

2. Ratify Agreement with BrightView for Snow Management Services

Ms. Jones reviewed the Agreement with BrightView for snow removal, noting a 3% increase.

3. Holiday Lighting Proposal

The Board asked questions regarding timing of the holiday lighting; Ms. Jones indicated she would follow up with Mr. Hickey regarding the date of the holiday lighting. Upon a motion duly made by Director Stutz, seconded by Director McNelly, and upon a vote, unanimously carried, the Board approved the landscape maintenance, snow management and holiday lighting proposals as presented.

- iii. Advisory Committee

Director Born mentioned the need for the Advisory Committee to meet in the spring. Ms. Jones noted that the CLA team will coordinate with Director Born to have this scheduled and to address the following:

- Tree Size and varieties;
- Park and tennis court reservations; and
- Welcome letter/Website recommended revisions.

D. Review Covenant Enforcement Report

Ms. Ellis reported out per her prepared report. She mentioned there are no tree size or species requirements; Director Born indicated this would be an appropriate issue for the Advisory Committee. Director Stutz indicated he would like the Rules and Regulations to be more widely distributed.

The Board discussed the potential for welcome gifts and revisions to the welcome letter for new residents. Ms. Honea indicated she will update the welcome letter and re-distribute. Director Born suggested a magnet or similar gift that contains District information would be appropriate.

E. Website Updates

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Director Stutz noted he would like to have more information on the website regarding the park reservations and voiced his preference for the calendar to be similar to a Google Calendar. The Board discussed the option of having Ms. Ellis's report on the website.

F. Other

None.

7. Legal Matters

A. Consider Adoption of Resolution Regarding Acceptance of Verified Reimbursement Amount

Ms. Murphy reviewed the Resolution Regarding Acceptance of Verified Reimbursement Amount with the Board. Upon a motion duly made by Director Stutz, seconded by Director Born, and upon a vote, unanimously carried, the Board approved the Resolution Regarding Acceptance of Verified Reimbursement Amount.

B. Consider Adoption of Resolution Regarding Acceptance of Public Improvements on Tracts

Ms. Murphy reviewed the Resolution Regarding Acceptance of Public Improvements on Tract D and the Tree Lawn on East 163rd Avenue with the Board. Director Stutz asked about the water meters and electrical meters near East 163rd Avenue, wanting to understand who controls water and power to ensure viability of the landscape. Director Cheney indicated the water is on the southeast corner of York Street and East 163rd Avenue and the District has the control of the tap on East 161st Avenue.

The Board indicated that acceptance of the public improvements would be contingent on confirmation that the water meter and power meters are consistent with the tracts being accepted, and that they are under control of the District, which shall be confirmed by Director Stutz. With these conditions met and upon a motion duly made by Director McNelly, seconded by Director Stutz, and upon a vote, unanimously carried, the Board approved the Resolution Regarding Acceptance of Public Improvements on Tract D and the Tree Lawn on East 163rd Avenue.

C. Approval of Special Warranty Deed and Bill of Sale for Public Improvements on Tracts

Approval will be subject to review by Director Stutz.

D. Review and Approve Annual Administrative Resolution

Ms. Murphy reviewed the Annual Administrative Resolution, noting that there are no changes from last year. The Board discussed amending the Resolution to include Board

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member meeting compensation. Upon a motion duly made by Director McNelly, seconded by Director Stutz, and upon a vote, unanimously carried, the Board approved the Annual Administrative Resolution as amended.

E. Other

None.

8. Financial Matters

A. Consider Acceptance of Financial Statements and Cash Position Report

Mr. Houghton reviewed the September 30, 2020 financial statements and cash position report with the Board. Upon a motion duly made by Director McNelly, seconded by Director Born, and upon a vote, unanimously carried, the Board approved the September 30, 2020 financial statements and cash position report.

B. Conduct 2020 Budget Amendment Hearing and Consider Adoption of Resolution to Amend 2020 Budget

Director Born opened the public hearing on the 2020 budget amendment. Ms. Murphy noted that the public hearing was published in accordance with Colorado law in the *Northglenn-Thornton Sentinel* and *Westminster Window* on November 5, 2020. No written objections were received prior to the meeting. There being no public comment, the hearing was closed.

Mr. Houghton reviewed the amendment to the 2020 budget including the Operations Fund to \$375,000 and the Capital Projects Fund to \$3,000,000.

Upon a motion duly made by Director Stutz, seconded by Director Born, and upon a vote, unanimously carried, the Board approved the adoption of the Resolution to Amend 2020 Budget.

C. Conduct 2021 Budget Hearing and Consider Adoption of Resolution to Adopt 2021 Budget and Set Mill Levies Resolution

Director Born opened the public hearing on the 2021 budget. Ms. Murphy noted that the public hearing was published in accordance with Colorado law in the *Northglenn-Thornton Sentinel* and *Westminster Window* on November 5, 2020. No written objections were received prior to the meeting. There being no public comment, the hearing was closed.

Mr. Houghton reviewed the 2021 proposed budget with the Board noting that the District would impose a total of 73.664 mills with 18.000 mills for the Operations Fund and

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55.664 for the Debt Service Fund. Director Cheney requested the 2021 budget include a line item for underdrain maintenance in the Operations Fund.

Upon a motion duly made by Director Stutz, seconded by Director Cheney, and upon a vote, unanimously carried, the Board approved the resolution adopting the budget, appropriating funds therefore and certifying 18.000 mills in the General Fund and 55.664 mills in the Debt Service Fund.

F. Consider Auditor Proposals for 2020 Audit

Mr. Houghton reviewed the audit engagement proposal from WIPFLI in the amount of \$4,150. Upon a motion duly made by Director Cheney, seconded by Director Stutz, and upon a vote, unanimously carried, the Board approved the audit engagement with WIPFLI.

G. Other

Mr. Houghton noted that there are three requisitions to be approved by the Board: (i) to reimburse the District's General Fund in the amount of \$8,837.55 for costs incurred in certifying public improvement costs; (ii) to Lennar in the amount of \$558,665.22 to reimburse the cost of public improvements; and (iii) to Lennar in the amount of \$637.24 to reimburse the cost of public improvements. Upon a motion duly made by Director Stutz, seconded by Director Born, and upon a vote, unanimously carried, the Board approved the requisitions as discussed. Director Born will sign as President of the Board.

9. Executive Session -

Upon a motion duly made by Director Elliot, seconded by Director McNelly, and upon an affirmative vote of at least two-thirds of the quorum present, the Board convened into Executive Session at 10:27 a.m. pursuant to § 24-6-402(4)(b), C.R.S. for the purpose of receiving legal advice on specific legal questions related to an offer to purchase mineral rights on Tract A and pursuant to § 24-6-402(4)(e), C.R.S. to determine positions related to matters that may be subject to negotiations, developing strategies for negotiations, and instructing negotiators related to the purchase of mineral rights on Tract A.

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.

Also, pursuant to § 24-6-402(4), C.R.S., the Board did not adopt any proposed policy, position, resolution, rule, regulation, or take formal action during executive session.

The Board reconvened in regular session at 10:34 a.m.

10. Director's Items

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None.

11. Other Business/Adjourn

A. Discuss a 2021 Meeting Schedule

The Board discussed the 2021 meeting schedule, noting no changes in 2021.

Upon a motion duly made by Director Elliott, seconded by Director Born, and upon a vote, unanimously carried, the Board adjourned the meeting at 10:35 a.m.

Respectfully submitted,

Secretary for the Meeting

The foregoing minutes were approved on the 11th day of March, 2021.

**ATTORNEY STATEMENT
REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION**

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing Orchard Farms Metropolitan, I attended the executive session meeting of Orchard Farms Metropolitan District convened at 10:27 a.m. on November 12, 2020 for the sole purpose of discussing for the purpose of receiving legal advice on specific legal questions related to an offer to purchase mineral rights on Tract A as authorized by Section 24-6-402(4)(b), C.R.S. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 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 Section 24-6-402(2)(b), C.R.S. or Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Megan J. Murphy, Esq.