

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
BNC METROPOLITAN DISTRICT NO. 3 (THE “DISTRICT”)
HELD
OCTOBER 15, 2024**

A regular meeting of the Board of Directors of the BNC Metropolitan District No. 3 (referred to hereafter as the “Board”) was convened on Tuesday, October 15, 2024, at 1:00 p.m., and held via Zoom videoconference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Janis L. Emanuel, President
Robert J. Bol, Treasurer

Also, In Attendance Were:

David Solin and Diana Garcia (both for a portion of the meeting); Special District Services, Inc. (“SDMS”)

Paula Williams, Esq., Eric Trout, Esq. (for a portion of the meeting), and Craig Sorensen; McGeady Becher Cortese Williams P.C.

Alyssa Ferreira; CliftonLarsonAllen LLP

Michael Kuykendall (for a portion of the meeting) and Nick Montalbano; Catellus Development Corporation

PUBLIC COMMENT

There were no public comments.

ADMINISTRATIVE MATTERS

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested 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 prior to this meeting in accordance with statute. It was noted by Attorney Williams 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.

Quorum/Confirmation of Meeting Location/Posting of Notice: Mr. Solin confirmed the presence of a quorum. The Board entered into a discussion

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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 Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board determined to conduct the meeting to conduct the meeting via videoconference/teleconference. It was further noted that notice of the time, date and location was duly posted and that no objections to the location or any requests that the meeting place be changed by taxpaying electors within the District's boundaries have been received.

Agenda/Director Absence: The Board reviewed the Agenda for the meeting.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board approved the Agenda, and excused the absence of Director Theodore Antenucci.

Minutes of the February 5, 2024 Special Meeting: The Board reviewed the Minutes of the February 5, 2024 Special Meeting.

Following review and discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board approved the Minutes.

Resolution No. 2024-10-01; Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices: The Board discussed the business to be conducted in 2025.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board adopted Resolution No. 2024-10-01; Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices and determined to hold 2025 meetings on June 10, 2025 and October 14, 2025 at 12:30 p.m. via video/telephone conference.

Insurance Matters:

Insurance Committee Report: Mr. Solin and the Board discussed increasing the District's crime coverage limit.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board authorized increasing the District's crime coverage to \$250,000 for the 2025 policy year. The Board also discussed property insurance coverage for District improvements. The Board directed Mr. Solin to work with Mr. Montalbano to prepare a list of improvements, obtain a quote, and bind insurance coverage.

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District's Insurance and Special District Association ("SDA") membership for 2025: The Board discussed renewing the District's insurance and SDA membership for 2025.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board approved the renewal of the Districts' insurance (with the previously approved increase in crime coverage) and SDA membership for 2025.

Website Accessibility Matters:

Website Accessibility Matters: Mr. Solin discussed the ADA website accessibility requirements and indicated that SDMS would handle compliance. The Board determined there was no need to establish a Website Accessibility Committee.

FINANCIAL MATTERS

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

Fund	Period ending Feb. 29, 2024	Period ending Mar. 31, 2024	Period ending Apr. 30, 2024	Period ending May 31, 2024
General	\$ 9,275.03	\$ 8,866.30	\$ 4,398.25	\$ 8,905.57
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 9,275.03	\$ 8,866.30	\$ 4,398.25	\$ 8,905.57

Fund	Period ending Jun. 30, 2024	Period ending Jul. 31, 2024	Period ending Aug. 31, 2024	Period ending Sept. 30, 2024
General	\$ 7,686.91	\$ 3,855.08	\$ 10,040.01	\$ 2,116.38
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 7,686.91	\$ 3,855.08	\$ 10,040.01	\$ 2,116.38

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote unanimously carried, the Board ratified approval of the payment of the claims.

Unaudited Financial Statements: Ms. Ferreira reviewed the unaudited financial statements for the period ending July 31, 2024 and the property tax reconciliation with the Board. No cash position statement was provided for review.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board accepted the

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unaudited financial statements for the period ending July 31, 2024 and the property tax reconciliation

2023 Audit: Ms. Ferreira reviewed the 2023 Audit with the Board.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board ratified approval of the 2023 Audit, and ratified the authorization to execute the Representations Letter.

2024 Audit Preparation: Ms. Ferreira informed the Board that no 2024 Audit engagement agreement has been obtained yet. She will follow up with engage an auditor, with the engagement agreement to be ratified at the June 2025 meeting.

2024 Budget Amendment Hearing: Director Emanuel opened the public hearing to consider amendment of the 2024 Budget.

It was noted that publication of Notice stating that the Board would consider amendment of the 2024 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 the public hearing. No public comments were received, and the public hearing was closed.

Ms. Ferreira informed the Board that an amendment to the 2024 Budget was required.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board adopted Resolution No. 2024-10-02 to Amend the 2024 Budget.

2025 Budget Hearing: Director Emanuel opened the public hearing to consider the proposed 2025 Budget and to discuss related issues.

It was noted that Notice stating that the Board would consider adoption of the 2025 Budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing. No public comments were received, and the public hearing was closed.

Ms. Ferreira reviewed the estimated 2024 expenditures and the proposed 2025 expenditures. Discussion was held regarding revisions to the General Fund budget.

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Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board approved the 2025 Budget, subject to the revisions discussed at the meeting, and considered the adoption of Resolution No. 2024-10-03 to Adopt the 2025 Budget and Appropriate Sums of Money, and Resolution No. 2024-10-04 to Set Mill Levies (18.148 mills in the General Fund and 78.282 mills in the Debt Service Fund, for a total mill levy of 96.430 mills.) Following discussion, and upon vote unanimously carried, the Board adopted the Resolutions and authorized execution of the Certification of Budget. The District Accountant was directed to transmit the Certification of Tax Levies to the Board of County Commissioners of Adams County not later than December 15, 2024. The District Manager was directed to transmit the Certification of Budget to the Division of Local Government no later than January 30, 2025.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan: The Board reviewed the Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board adopted Resolution 2024-10-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan.

DLG-70 Certification of Tax Levies Form and Mill Levy Public Information Form (“Certification”): Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board authorized the District Accountant to prepare, sign, and file the Certification with the Board of County Commissioners and other interested parties.

Statement of Work with Clifton Larson Allen LLP for 2025 Accounting Services (“SOW”): Ms. Ferreira informed the Board that the SOW was not yet available.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the SOW, subject to review by Director Emanuel.

Preparation of 2026 Budget: Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board approved the appointment of the District Accountant to prepare the District’s 2026 Budget and set the date for a Public Hearing to adopt the 2026 Budget for October 14, 2025, at 12:30 p.m., to be held via videoconference.

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LEGAL MATTERS

May 6, 2025 Regular Directors' Election (the "Election"): Attorney Williams discussed the Election with the Board, and the potential need for a ballot question to waive the new statutory property tax revenue limitation.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board adopted Resolution No. 2024-10-06, Resolution Calling a Regular Directors' Election for May 6, 2025, appointing David Solin as the Designated Election Official, and authorizing him to perform all tasks required for the conduct of a mail ballot election. The Board also appointed Director Emanuel as the Election Committee to determine if a ballot question needs to be considered at the Election.

Special Counsel Services Funding and Reimbursement Agreement between the District and Catellus CC Note, LLC: Attorney Williams reviewed the Special Counsel Services Funding and Reimbursement Agreement between the District and Catellus CC Note, LLC with the Board.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board ratified approval of the Special Counsel Services Funding and Reimbursement Agreement between the District and Catellus CC Note, LLC.

Escrow Agreement between the District and BOKF, NA: Attorney Williams reviewed the Escrow Agreement between the District and BOKF, NA with the Board.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board ratified approval of the Escrow Agreement between the District and BOKF, NA.

Fourth Amendment to 2019-2021 Operation Funding Agreement between the District and Catellus CC Note, LLC: Attorney Williams reviewed the Fourth Amendment to 2019-2021 Operation Funding Agreement between the District and Catellus CC Note, LLC with the Board.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote unanimously carried, the Board approved the Fourth Amendment to 2019-2021 Operation Funding Agreement between the District and Catellus CC Note, LLC, subject to final legal review.

Engineer's Report and Certification #08: The Board reviewed Engineer's Report and Certification #08 R1– BNC Metropolitan District Nos. 1, 2, & 3, dated October 10, 2023 and revised August 6, 2024 and prepared by Ranger Engineering, LLC, certifying eligible costs for Public Improvements in the

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amount of \$1,989,896.59 (Revised Report No. 8) and discussed the reimbursement of \$1,989,896.59 to Catellus CC Note, LLC pursuant to Revised Report No. 8.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board ratified approval of Revised Report No. 8, certifying eligible costs for Public Improvements in the amount of \$1,989,896.59 and ratified the authorization of the reimbursement of \$1,989,896.59 to Catellus CC Note, LLC.

Engineer's Report and Certification #09: The Board reviewed Engineer's Report and Certification #09 R1 – BNC Metropolitan District Nos. 1, 2, & 3, dated November 16, 2023 and revised August 6, 2024, prepared by Ranger Engineering, LLC, certifying eligible costs for Public Improvements in the total amount of \$4,950,285.52 ("Revised Report No. 9") and discussed the reimbursement of \$4,950,285.52 to Catellus CC Note, LLC pursuant to Revised Report No. 9.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board ratified approval of Revised Report No. 9 certifying eligible costs for Public Improvements in the total amount \$4,950,285.52, and ratified the authorization of the reimbursement of \$4,950,285.52 to Catellus CC Note, LLC pursuant to Revised Report No. 9.

Conveyance of Tracts E and F, Turnberry Filing No. 5, City of Commerce City, Adams County, Colorado to the District:

Letter dated May 15, 2024 from Ranger Engineering, LLC to the District regarding verification of paid landscaping costs for Turnberry Subdivision Filing Nos. 5 and 6 (the "Filing Nos. 5 and 6 Letter"): Attorney Williams reviewed The Filing Nos. 5 and 6 Letter with the Board.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board accepted the Filing Nos. 5 and 6 Letter.

Surety from AMH Development, LLC ("AMH"): Mr. Montalbano reported that the surety was received, but that AMH still needs to complete a small portion of the improvements.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board acknowledged receipt of the surety from AMH, and authorized an extension of time to the next growing season for AMH complete the improvements.

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Adams County District Court Case No. 2023-CV-30630, BNC MD Nos. 1 and 2 v. BNC MD No. 3 et al: Attorney Williams updated the Board on the status of Adams County District Court Case No. 2023-CV-30630, BNC MD Nos. 1 and 2 v. BNC MD No. 3 et al.

Request from Property Owner: Attorney Williams informed the Board that the District has been contacted by a property owner regarding certain property that (according to the Adams County Assessor) lies within the boundaries of both BNC Metropolitan District Nos. 1 and 3, and that the property may not have been intended to be within the boundaries of BNC Metropolitan District No. 3. She noted that since the District has issued bonds, a simple exclusion would not be sufficient as the excluded property would remain subject to the debt service mill levy. She indicated that the District could request an Amended Order and Decree *nunc pro tunc* back to the date of the District's organization, but that there is no guarantee that the Court would issue such an order or that the Assessor would properly implement it.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board authorized negotiations with the property owner to pay the costs associated with requesting an Amended Order and Decree, and to obtain a release and waiver from the property owner if such efforts prove unsuccessful.

Section 32-1-809, C.R.S. Requirements (Transparency Notice): Attorney Williams discussed the special district transparency requirements of Section 32-1-809, C.R.S. with the Board. Following discussion, the Board directed Mr. Solin to post the special district transparency notice on the Special District Association website and on the District website.

OPERATION AND MAINTENANCE

There were no operation and maintenance matters.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the meeting was adjourned without objection.

Respectfully submitted,

By 
Secretary for the Meeting