

**ANNUAL RESOLUTION OF
THE BOARD OF DIRECTORS OF THE
HEATHER GARDENS METROPOLITAN DISTRICT**

At a regular meeting of the Board of Directors of the Heather Gardens Metropolitan District, City of Aurora, Arapahoe County, Colorado, held at 1:00 P.M., on Thursday, January 16, 2020, at the Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, Colorado at which a quorum was present, the following resolution was adopted:

WHEREAS, the Heather Gardens Metropolitan District (the “District”) was organized as a special district pursuant to an Order of the District Court in and for the County of Arapahoe, Colorado, dated April 16, 1983 and is located within the City of Aurora, Arapahoe County; and

WHEREAS, the Board of Directors of the District (collectively referred to as the “Board” or individually as “Director(s)”) has a duty to perform certain obligations in order to assure the efficient operation of the District; and

WHEREAS, § 32-1-306, C.R.S. requires the District to file a current, accurate map of its boundaries with the County Assessor, County Clerk and Recorder and the Division of Local Government (the “Division”) on or before January 1 of each year; and

WHEREAS, §§ 24-10-109 & 24-32-116, C.R.S. require that the District provide its name, its principal address and/or mailing address, the name of its agent and the agent’s mailing address to the Department of Local Affairs (the “Department”) and keep such information updated regularly; and

WHEREAS, § 32-1-809, C.R.S. requires that the Board provide notice, containing certain information about the District, to the eligible electors of the District no more than sixty (60) days prior to and not later than January 15; and

WHEREAS, § 32-1-104(2), C.R.S. requires that the District, on or before January 15, file a copy of the notice required by § 32-1-809, C.R.S. with the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder in each county in which the District is located, the governing body of any municipalities in which the District is located and the Division; and

WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101 *et seq.*, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets and to file copies of the budgets and amendments thereto; and

WHEREAS, § 29-1-205(1), C.R.S. requires the District to file a current list of all contracts in effect with other political subdivisions within thirty (30) days of receiving a request therefor from the Division; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101 *et seq.*, C.R.S., issuers of nonrated public securities shall make public within sixty (60)

days following the end of each of such issuer's fiscal year, an annual information report or reports with respect to any of such issuer's nonrated public securities which are outstanding as of the end of each such fiscal year; and

WHEREAS, in accordance with § 29-1-604(1), C.R.S., if expenditures and revenues of the District are not in excess of \$100,000, the District may file an exemption from audit with the State Auditor; or in accordance with § 29-1-604(2)(b), C.R.S., if expenditures and revenues of the District for any fiscal year commencing on or after January 1, 2015, are at least \$100,000, but not more than \$750,000, the District may file an exemption from audit with the State Auditor; or in accordance with § 29-1-603, C.R.S., the governing body of the District shall cause to be made an annual audit of the financial statements for each fiscal year; and

WHEREAS, the Unclaimed Property Act, §§ 38-13-101 *et seq.*, C.R.S., requires that governmental subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer by November 1 of each year; and

WHEREAS, pursuant to § 32-1-103(15), C.R.S., the legal notices of the District must be published in one newspaper of general circulation in the District, and if there is not one such newspaper of general circulation, then in one newspaper in each county in which the District is located; and

WHEREAS, pursuant to § 24-6-402(2)(c)(I), C.R.S., in addition to any other means of full and timely notice, the Board shall annually designate at the first meeting of the calendar year a posting place within the boundaries of the District for posting of notices; and

WHEREAS, pursuant to §§ 32-1-903(2) and 24-6-402(2)(c)(I) & (III), C.R.S., in addition to any other means of full and timely notice, the Board shall be deemed to have given full and timely notice of a public meeting if the Board posts the notice on a public website of the District or in a designated public place within District boundaries, no less than twenty-four hours prior to the meeting; and

WHEREAS, § 32-1-903(1), C.R.S. requires that the Board shall meet regularly at a time and place to be designated by the Board that is within the boundaries of the District or within the boundaries of any county in which the District is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty miles from the District boundaries, unless the proposed change of location for a meeting appears on the Board agenda of a regular or special meeting and a resolution is adopted stating the reason for which a meeting of the Board is to be held in a location other than under the provisions of § 32-1-903(1), C.R.S. and further stating the date, time and place of such meeting; and

WHEREAS, pursuant to § 32-1-904, C.R.S., the office of the District shall be at some fixed place to be determined by the Board; and

WHEREAS, pursuant to § 32-1-901(1), C.R.S., each Director, within thirty (30) days after his or her election or appointment to fill a vacancy, shall take an oath or affirmation in accordance

with § 24-12-101, C.R.S., and the oath must be filed with the County Clerk and Recorder, and in accordance with § 32-1-901(1), C.R.S. with the Clerk of the Court and with the Division; and

WHEREAS, in accordance with § 32-1-901(2), C.R.S., at the time of filing said oath, there shall also be filed for each Director a surety bond; and

WHEREAS, in accordance with § 24-14-102(2), C.R.S., the District may, in lieu of the required bond, purchase crime insurance to protect the District from any dishonesty, theft, or fraud; and

WHEREAS, pursuant to § 32-1-902(1), C.R.S., the Board shall elect one of its members as chairman of the Board and president of the District, one of its members as vice president, one of its members as a treasurer of the Board and District, and a secretary who may be a member of the Board, or the secretary and treasurer may be one individual, who in such case is a member of the Board; and

WHEREAS, Directors may receive compensation for their services subject to the limitations imposed by § 32-1-902(3)(a), C.R.S.; and

WHEREAS, Directors are governed by § 32-1-902(3)(b), C.R.S., in effect since 1981, which requires any Director to disqualify himself or herself from voting on an issue in which he or she has a conflict of interest, unless the Director has properly disclosed such conflict in compliance with § 18-8-308, C.R.S.; and

WHEREAS, Directors are governed by § 32-1-902(4), C.R.S., which requires any Director who owns undeveloped land that constitutes at least twenty percent (20%) of the territory included in the District to properly disclose such fact in compliance with § 18-8-308, C.R.S.; and

WHEREAS, §§ 32-1-1604 & 32-1-1101.5(1), C.R.S. require the District to issue notice of the authorization or incurrence of general obligation indebtedness to the Board of County Commissioners of each county in which the District is located or the governing body of the municipality that has adopted a resolution of approval of the special district and to record such notice with the County Clerk and Recorder in each county in which the District is located within thirty (30) days of incurring or authorizing such indebtedness; and

WHEREAS, § 32-1-1101.5(1), C.R.S. requires the District to certify the results of ballot issue elections to incur general obligation indebtedness to the Board of County Commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the District within forty-five (45) days after the election, or at least thirty (30) days before issuing any general obligation debt if not previously certified, and requires the District to file a copy of such certificate with the Division of Securities within that timeframe; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) & (2), C.R.S., the Board of County Commissioners or the governing body of a municipality that has adopted a resolution of approval

of the District may require the District to file an application for the quinquennial finding of reasonable diligence; and

WHEREAS, in accordance with §§ 32-1-207(3)(c) & (d), C.R.S., the Board of County Commissioners or the governing body of a municipality in which the District is wholly or partially located may require the District to file a special district annual report; and

WHEREAS, in accordance with the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., the Board is given authority to obtain insurance; and

WHEREAS, the Colorado Open Meetings Law at § 24-6-402(2)(d.5)(II)(A), C.R.S. specifies that discussions that occur in an executive session of a local public body shall be electronically recorded; and

WHEREAS, pursuant to §§ 24-6-402(2)(d.5)(II)(E), C.R.S., such electronic recording of executive sessions shall be retained for at least ninety (90) days after the date of the executive session; and

WHEREAS, in accordance with the Public Deposit Protection Act, §§ 11-10.5-101 *et seq.*, C.R.S., the Board shall designate an official custodian with plenary authority to deposit public funds in any bank which has been designated by the Colorado Banking Board as an eligible public depository; and

WHEREAS, in accordance with § 32-1-104.8, C.R.S., the District must record a public disclosure document and a map of the boundaries of the District with the County Clerk and Recorder of each county in which the District is located at any time thereafter that an order or decree confirming the inclusion of real property into the District is recorded; and

WHEREAS, elections may be held pursuant to the Special District Act, Article 1 of Title 32, C.R.S.; the Uniform Election Code of 1992, Articles 1 to 13 of Title 1, C.R.S.; and the Colorado Local Government Election Code, Article 13.5 of Title 1, C.R.S., for the purpose of 1) electing members of the Board and 2) presenting certain ballot questions to the eligible electors of the District; and

WHEREAS, §§ 1-1-111(2), 1-13.5-108 and 32-1-804(2), C.R.S. provide that all powers and authority granted to the Board may be exercised by a “Designated Election Official” designated by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEATHER GARDENS METROPOLITAN DISTRICT AS FOLLOWS:

1. The Board directs the Heather Garden Association’s general manager in accordance with the Management Agreement by and between the District and the Heather Gardens Association dated August 23, 2018 and as may be amended from time to time (the “Manager”) to prepare an accurate map as specified by the Division for

filing with the County Assessor, County Clerk and Recorder and the Division as required by § 32-1-306, C.R.S on or before January 1, if applicable.

2. The Board directs the Manager to notify the Department of the District's name, principal address and/or mailing address, agent's name and agent's mailing address in accordance with §§ 24-10-109 & 24-32-116, C.R.S.
3. The Board directs the Manager to: (1) provide notice, containing certain information about the District, to the eligible electors of the District, not earlier than November 16 and not later than January 15, in the manner set forth in § 32-1-809, C.R.S; and (2) in accordance with § 32-1-104(2), C.R.S., file a copy of the notice with the Board of County Commissioners, County Assessor, County Treasurer, County Clerk and Recorder's Office in each county in which the District is located, the governing body of any municipality in which the District is located and with the Division. The Board further directs that a copy of the notice shall be made available for public inspection at the principal business office of the District.
4. The Board directs the Manager to submit a proposed budget to the Board by October 15; to schedule a public hearing on the proposed budget; to prepare a final budget, including any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy; to prepare budget resolutions, including certification of mill levies and amendments to the budget if necessary; to certify the mill levies on or before December 15; and to file the approved budgets and amendments thereto with the proper governmental entities not later than thirty (30) days after the beginning of the fiscal year of the budget adopted, in accordance with the Local Government Budget Law of Colorado.
5. The Board directs the Manager to prepare and file a current list of all contracts in effect with other political subdivisions with the Division within thirty (30) days of receiving a request therefor from the Division, if applicable.
6. The Board directs the Manager to prepare and file the annual public securities report for nonrated public securities issued by the District with the Department within sixty (60) days following the end of the District's fiscal year, if applicable.
7. The Board directs the Manager to file either an audit exemption application with the State Auditor within three (3) months after the close of the District's fiscal year or that an audit of the financial statements is prepared and submitted to the Board within six (6) months after the close of the District's fiscal year. Further, the Board directs that the audit report be filed with the State Auditor within thirty (30) days after the Board's receipt of the audit report from the auditor.
8. The Board directs the Manager to prepare the Unclaimed Property Act report and forward to the State Treasurer by November 1, if applicable.

9. The Board designates the Aurora Sentinel as a newspaper of general circulation within the boundaries of the District or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes in the Aurora Sentinel.
10. The Board designates the Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, Colorado, as the posting place for notices of meetings in 2020 for purposes of § 24-6-402(2)(c), C.R.S.
11. Emergency meetings may be called without notice, if notice is not practicable, by the president of the Board or any two (2) Board members in the event of an emergency that requires the immediate action of the Board in order to protect the public health, safety and welfare of the property owners and residents of the District. If possible, notice of such emergency meeting may be given to the members of the Board by telephone or whatever other means are reasonable to meet the circumstances of the emergency, and shall be provided to the public via any practicable means available, *if any*, including, but not limited to, posting notice of such emergency meeting on the District's website, if any. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety and welfare may be taken; provided however, that any action taken at an emergency meeting shall be ratified at the first to occur: (a) the next regular meeting of the Board, or (b) the next special meeting of the Board.
12. The Board determines to hold regular meetings the third Thursday of each month at 1:00 P.M. at the Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, Colorado 80014.
13. Pursuant to § 32-1-904, C.R.S., the Board determined that the office of the District shall be at the Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, Colorado 80014.
14. Pursuant to § 32-1-901, C.R.S., the Board directs the District's administrative assistant, with the assistance of legal counsel, to prepare, administer and file an oath or affirmation in accordance with § 24-12-101, C.R.S., and to file the oath or affirmation with the County Clerk and Recorder. In addition to the oath or affirmation, to procure either crime insurance in accordance with § 24-14-102(2), C.R.S. or a surety bond for each Director as required by § 32-1-901, C.R.S. in the total amount of \$10,000, and to file copies of the oath or affirmation and the crime insurance or surety bond with the Clerk of the Court and the Division.
15. The Board hereby elects the following officers for the District:

President/Chairman:	Craig Baldwin
Vice President:	David Funk
Treasurer/Secretary:	William Archambault

16. The Board directs that each director may receive compensation for services as Directors in accordance with §§ 32-1-902(3)(a)(I) & (II), C.R.S.
17. The Board has determined that legal counsel will file conflict-of-interest disclosures provided by Directors with the Secretary of State seventy-two (72) hours prior to each meeting of the Board. In addition, written disclosures provided by Directors required to be filed with the governing body in accordance with § 18-8-308, C.R.S. shall be deemed filed with the Directors of the District when filed with the Secretary of State.
18. The Board directs the Manager to issue notice of indebtedness to the Board of County Commissioners or to the governing body of the municipality that has adopted a resolution of approval of the District, as applicable, and to record such notice with the County Clerk and Recorder in each county in which the District is located within thirty (30) days of incurring or authorizing any indebtedness in accordance with §§ 32-1-1604 & 32-1-1101.5(1), C.R.S. The Board also directs the Manager to certify the results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners of each county in which the District is located, to the governing body of a municipality that has adopted a resolution of approval of the District, as applicable, and the Division of Securities within forty-five (45) days after such election, or at least thirty (30) days before the District's issuance of any general obligation debt if not previously certified, in accordance with § 32-1-1101.5(1), C.R.S.
19. The Board directs the Manager to prepare and file, if requested, the quinquennial finding of reasonable diligence with the Board of County Commissioners or to the governing body of a municipality that has adopted a resolution of approval of the District, as applicable, in accordance with §§ 32-1-1101.5(1.5) & (2), C.R.S.
20. The Board directs the Manager to prepare and file, if requested, the special district annual report with the Board of County Commissioners, any municipality in which the District is wholly or partially located, the Division, the State Auditor, and County Clerk and Recorder in accordance with § 32-1-207(3)(c) & (d), C.R.S.
21. The District is currently a member of the Special District Association ("SDA"), and insured through the Colorado Special Districts Property and Liability Pool. The Board directs the District's accountant to pay the annual SDA membership dues and insurance premiums in a timely manner. The Board will review all insurance policies and coverage in effect to determine appropriate insurance coverage is maintained, at least biannually.
22. The Board directs the custodian of all electronic recordings of executive sessions to retain all electronic recordings of executive sessions for purposes of the Colorado Open Meetings Law for ninety (90) days after the date of the executive session. The Board further directs the custodian to systematically delete all recordings of executive sessions made for purposes of the Colorado Open Meetings Law at its

earliest convenience after the ninetieth (90th) day after the date of the executive session.

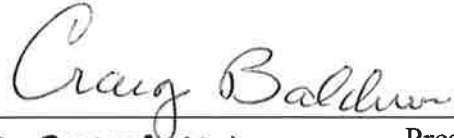
23. The Board hereby designates the Heather Gardens Association, in accordance with the Management Agreement by and between the District and the Heather Gardens Association dated August 23, 2018 and as it may be amended from time to time, as its official custodian over public deposits in accordance with §§ 11-10.5-101 *et seq.*, C.R.S.
24. The Board directs legal counsel to prepare the special district public disclosure statement in accordance with § 32-1-104.8, C.R.S. and record the statement with the County Clerk and Recorder at any such time as a decree or order of inclusion of real property into the District's boundaries is recorded.
25. Evelyn Ybarra, Assistant to the Board, is hereby appointed as the "Designated Election Official" of the Board for any elections to be held during 2020 and any subsequent year unless another Designated Election Official is appointed by resolution. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including, but not limited to, appointing election judges, appointing a canvass board, cancelling the election, if applicable, and certifying election results.

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Whereupon, a motion was made and seconded, and upon a majority vote this Annual Resolution was approved by the Board.

ADOPTED AND APPROVED THIS 16TH DAY OF JANUARY 2020.

HEATHER GARDENS METROPOLITAN DISTRICT



CRAIG BALDWIN, President

ATTEST:



WILLIAM MCHAMBAULT, Secretary / TREASURER

CERTIFICATION

I, WILLIAM ARCHANGOLI, Secretary ^{TREASURER} of the Heather Gardens Metropolitan District, do hereby certify that the annexed and foregoing Resolution is a true copy from the records of the proceedings of the Board of said District, on file with Icenogle Seaver Pogue, P.C., general counsel to the District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District, at the County of Arapahoe, Colorado, this 16th day of January 2020.

William Archangoli
WILLIAM ARCHANGOLI, Secretary/
TREASURER

