

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BROMLEY PARK METROPOLITAN DISTRICT NO. 2
HELD JANUARY 23, 2018

A regular meeting of the Board of Directors (“Board”) of the Bromley Park Metropolitan District No. 2 (“District”) was held on Tuesday, January 23, 2018 at 6:00 p.m. at McGeady Becher P.C. 450 E. 17th Avenue, Suite 400, Denver, CO 80203.

Attendance

In attendance were Directors:

Joel Farkas
Toni Serra

Also in attendance:

Matthew Urkoski & Jason Carroll; CliftonLarsonAllen LLP (“CLA”)
Megan Becher; McGeady Becher P.C.
Brooke Hutchens; D.A. Davidson & Company

**Call to Order
And Quorum**

Director Farkas called the meeting to order at 6:16 p.m. There was a quorum of the Board present for the regular meeting.

**Potential Conflict
Of Interest**

Attorney Becher discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board 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 Becher that disclosures of potential conflicts of interest were filed with the Secretary of State for both Directors.

**Agenda/Meeting
Location/Posting
of Meeting Notices**

The Board reviewed the proposed Agenda for the District’s regular meeting. Following discussion, upon a motion duly made by Director Serra, seconded by Director Farkas and, upon vote, unanimously carried, the Agenda was approved as presented.

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Discuss Board Vacancies

Discuss Board Vacancies, Consider the Appointment of Eligible Elector to the Board of Directors and Administer Oath of Office

Ms. Becher reviewed the process undertaken by District staff surrounding the vacancies. Ms. Becher noted that she confirmed eligibility of the four interested parties: Jeremy Reichow, Anthony Tucker, Dan Frelund and Doug Hamilton. Mr. Tucker, Mr. Frelund and Mr. Hamilton introduced themselves to the board and stated their personal interests and qualifications for serving on the Board. Mr. Reichow withdrew his name from consideration. Ms. Becher walked through the election process.

Following discussion, upon a motion duly made by Director Farkas, seconded by Director Serra and, upon a vote, unanimously carried, the Board appointed all three interested individuals to the board.

Consider the Appointment of Officers

Ms. Becher administered oaths of office to all three of the interested candidates.

President: Joel Farkas
Secretary: Toni Serra
Treasurer: Doug Hamilton
Assistant Secretary: Anthony Tucker
Assistant Secretary: Dan Frelund

Minutes

Minutes of the November 7, 2017 Regular Meeting

Following discussion, upon motion duly made by Director Serra, seconded by Director Farkas and, upon vote, unanimously carried, the Board approved the minutes of the November 7, 2017 regular meeting, as presented.

Public Comments

Ms. Leigh Tucker inquired on who is overseeing the construction of oil and gas wells on Homestead. Director Farkas reported that the operator is Verdad Oil and gas. Additional discussion ensued. Ms. Tucker also inquired on development fees assessed.

An inquiry was made on the addition of street lights. Director Farkas reported that he is working with United Power on executing this task.

**Financial
Matters**

Discuss Status of Bond Restructure

i. Discuss Structure

The consulting team briefed the Board on the latest developments surrounding the bond transaction, noting the structure of the deal remains unchanged from the structure presented at the November public forum. Director Farkas walked the Board through the various components of the bond deal's structure. Discussion on the specifics of taxation of the wells and the broader structure of the transaction ensued.

ii. Discuss Termination of Advance and Reimbursement Agreement with JF Companies, LLC and Capital funding and Reimbursement Agreement with Kings CO, LLC

Ms. Becher reported that in addition to the bond documents, a restructuring of the Advance and Reimbursement Agreement with JF Companies, LLC would ultimately be required.

iii. Discuss Timing and Schedule of Issuance

Ms. Hutchens updated the Board on the timing of issuance, noting that the ratings are pending and that the posting of the public offering is intended for January 31, 2018. Ms. Hutchens also stated that the closing is intended for February 22, 2018. Additional discussion on the rating and current interest rates ensued.

iv. Ratify Engagement of Sherman and Howard LLC as District Bond Counsel

Ms. Becher reviewed the purpose of bond counsel with the Board.

Following discussion, upon a motion duly made by Director Farkas, seconded by Director Serra and, upon a vote, unanimously carried, the Board approved ratifying the engagement of Sherman and Howard LLC as the District bond counsel.

v. Ratify Engagement of D.A. Davidson & Co. as District Underwriter

Ms. Becher reviewed the purpose of the engagement with D.A. Davidson with the Board.

Following discussion, upon a motion duly made by Director Farkas, seconded by Director Hamilton and, upon a vote,

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unanimously carried, the Board approved ratifying the engagement of D.A. Davidson & Co. as the District underwriter.

Review, Ratify and Approve Claims

Mr. Carroll presented the claims to the Board.

Following discussion, upon a motion duly made by Director Serra, seconded by Director Farkas and, upon a vote, unanimously carried, the Board approved the claims, as presented.

Review and Accept December 31, 2017 Unaudited Financial Statements

This item was deferred.

Other

None.

Manager Items

Review and Discuss Acceptance of Maintenance from Homestead HOA, 168th Avenue Landscaping

Director Farkas briefed the Board on the components of the acceptance under consideration, noting current maintenance providers and the intent to consolidate the number of entities maintaining the areas under consideration.

Review and Discuss City of Brighton Park Fees Owed to the District

Director Farkas reported that a current analysis and discussion are underway with the City of Brighton regarding amounts expecting remitting from 2017 and 2018.

Other

None.

Attorney Items

Other

None.

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Construction Matters

Report on Park Construction Brighton East Farms Filing 2 Tract N

- i. Review and consider approval of Change Order No. 1 with Goodland Construction in the amount of \$TBD for inclusion of median in project

This item was tabled.

Phase II – Discuss park Construction of Brighton East Farms Filings 2 Tract N

- i. Discuss Timing and Approval of Award of Contract

This item was tabled.

Update on Drilling of Oil and Gas Wells

Director Farkas intends to have additional fracking results ready in time for the next Board meeting.

Discuss with the City of Brighton Additional Infrastructure at the Intersection of Longs Peak and 46th

Director Farkas reported that Stacklot has been meeting regularly with the City of Brighton on scoping the remaining parks to be constructed.

Board Member

Other

Director Farkas will supply specifics on division of mineral rights by next meeting.

Other Business

Confirm Quorum for February 6, 2018 Regular Meeting

The Board cancelled the regular meeting scheduled for February 6, 2018 and expects to meet in mid-February.

Adjournment

There being no further business to come before the Board, upon a motion duly made by Director Farkas, seconded by Director Frelund and, upon vote, unanimously carried, the meeting was adjourned at 7:19 p.m.

Respectfully submitted,



Secretary for the Meeting