

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BROMLEY PARK METROPOLITAN DISTRICT NO. 2
HELD NOVEMBER 5, 2019

A regular meeting of the Board of Directors ("Board") of the Bromley Park Metropolitan District No. 2 ("District") was held on Tuesday, November 5, 2019 at 6:00 p.m. at the Main Street Café, 161 N. Main Street, Brighton, CO 80601.

Attendance

In attendance were Directors:

Joel Farkas
Toni Serra
Douglas G. Hamilton
Anthony Tucker

Also in attendance:

Pat Shannon & Paul Wilson; CliftonLarsonAllen LLP ("CLA")
Sarah McGrath, Esq.; McGeady Becher P.C.

**Call to Order
And Quorum**

Director Farkas called the meeting to order at 6:00 p.m. There was a quorum of the Board present for the regular meeting.

**Potential Conflict
Of Interest**

Attorney McGrath 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 McGrath that disclosures of potential conflicts of interest were filed with the Secretary of State by the statutory deadline for all Directors present.

**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 amended to include Discussion of the Cost Certification Report #4 as item 7.K.

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The Board entered into a 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 Farkas seconded by Director Hamilton and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated dated, time and location. The Board further noted that notice of this location was duly posted and that it had not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

Review and Approve Minutes

Minutes of the October 3, 2019 Special Meeting

Following review, upon a motion duly made by Director Farkas, seconded by Director Hamilton and, upon vote, unanimously carried, the Board approved the October 3, 2019 special meeting minutes, as presented.

Public Comments

None.

Discuss Board Vacancy

The Board discussed the Director vacancy. No action was taken at this time to appoint an eligible elector to the Board.

Financial Matters

Acknowledge receipt of Developer Advance from Kings Co, LLC in the amount of \$874,000 pursuant to the terms of the Advance and Reimbursement Agreement between the District and Kings Co, LLC.

Mr. Wilson reviewed the required developer advance from Kings Co, LLC with the Board.

Following review, upon a motion duly made by Director Tucker, seconded by Director Hamilton and, upon vote, unanimously carried, the Board acknowledged upon receipt of a developer advance from Kings Co, LLC in the amount of \$874,000 pursuant to the terms of the Advance and Reimbursement Agreement, as amended, between the District and Kings Co, LLC. Such advance shall be recorded on the District record in accordance with such Agreement.

Review, Ratify and Approval of Claims

Mr. Wilson reviewed the claims with the Board, noting an additional invoice for \$902 to Homestead II HOA.

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Following review, upon a motion duly made by Director Serra, seconded by Director Hamilton and, upon vote, unanimously carried, the Board approved the claims in the amount of \$59,634.69.

Review and Consider Approval of September 30, 2019 Unaudited Financial Statements

Mr. Wilson reviewed the September 30, 2019 unaudited financial statements with the Board.

Following discussion, upon a motion duly made by Director Hamilton, seconded by Director Tucker and, upon vote, unanimously carried, the Board accepted the September 30, 2019 unaudited financial statements, as presented.

Status of 2018 Audit

Mr. Wilson provided an update on the 2018 Audit to the Board, noting that the 2018 Audit is currently with the Auditor for finalization.

Conduct Public Hearing to consider Amendment to 2019 Budget. Consider adoption of Resolution to Amend 2019 Budget, if necessary

Mr. Wilson noted an amendment to the 2019 budget is not necessary.

Conduct Public Hearing to Consider Adoption of the 2020 Budget, Appropriation of Funds for Expenditures and Certification of Mill Levies

1. Consider Adoption of Resolution No. 2019-11-01, to Adopt the 2020 Budget and to Appropriate Sums of Money and Resolution No. 2019-11-02, to Set Mill Levies

Upon a motion duly made by Director Serra, the Board opened the public hearing at 6:39 p.m. to consider adoption of the 2020 budget, appropriate funds for expenditures, to set the mill levy and to consider adoption of Resolution Nos. 2019-11-01 and 2019-11-02.

Mr. Shannon noted that publication of the hearing was made and no objections were received. There was no public comment.

Upon a motion duly made by Director Serra, the Board closed the public hearing to consider adoption of 2020 budget, appropriate funds for expenditures, to set the mill levy and to consider adoption of Resolution Nos. 2019-11-01 and 2019-11-02.

Mr. Wilson reviewed the 2020 budget with the Board, noting that the General Mill Levy is set at 7.3 mills and the Debt Service Mill Levy has

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been decreased to 65.774 mills for a total of 73.074 mills. Mr. Farkas asked for a projection to see where the Mill Levy can go next year based on expected assessed valuations. Mr. Wilson noted that there would need to be an adjustment to the General Fund to account for the CLA 5% technology fee, dedicated to technology expenses to combat cyber attacks.

Upon a motion duly made by Director Farkas, seconded by Director Hamilton and, upon a vote, unanimously carried, the Board approved adoption of Resolution No. 2019-11-01 to adopt the 2020 budget and Resolution No. 2019-11-02 to Set Mill Levies.

Consider Engagement of Fiscal Focus Partners LLC to perform 2019 Audit

Mr. Wilson reviewed the 2019 Audit Engagement Letter from Fiscal Focus Partners LLC with the Board.

Following review, upon a motion duly made by Director Hamilton, seconded by Director Tucker and, upon vote, unanimously carried, the Board approved the 2019 Audit Engagement Letter with Fiscal Focus Partners LLC, in the amount of \$5,150.

Consider authorizing the District Accountant to prepare and sign the DLG 70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties

Upon a motion duly made by Director Serra, seconded by Director Hamilton and, upon vote, unanimously carried the Board authorized the District Accountant to prepare and sign the DLG 70 Mill Levy Certification form.

Discuss and Consider Adoption of Resolution No. 2019-11-03 Authorizing Adjustment to District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3

This item is not necessary.

Discuss and Consider Approval of 3rd Quarter 2019 Continuing Disclosure Report

Mr. Wilson reviewed the 3rd Quarter 2019 Continuing Disclosure Report with the Board. Following discussion, it was determined that Board approval was not necessary.

Review and Accept Bromley Park MD No. 2 Cost Certification Report

The Board reviewed Cost Certification Report #4.

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Following review, upon a motion duly made by Director Farkas, seconded by Director Tucker and, upon vote, unanimously carried, the Board accepted the Cost Certification Report #4, subject to final legal review.

Manager Items

Review and Consider Adoption of Resolution No. 2019-11-04, Establishing 2020 Regular Meeting Dates, Time and Location, Establishing District Website and Designating Location for Posting 24-Hour Notices. Suggested 2020 meeting dates are: 1st Tuesday of February, April, July, and November.

Mr. Shannon reviewed Resolution No. 2019-11-04 with the Board.

Following review, upon a motion duly made by Director Serra, seconded by Director Hamilton and, upon vote, unanimously carried, the Board approved adoption of Resolution No. 2019-11-04.

Discuss Insurance Renewal, Insurance Schedules, and renewal of Special District Association Membership. Confirm Position Schedule Bond is in place.

Mr. Shannon provided an update on the options for 2020 insurance renewal, insurance schedules and renewal of Special District Association Membership, noting that insurance renewal documents will be available within the next few weeks. Following discussion, the Board authorized approval of renewal of the District's insurance and Special District Association membership. He noted that the District does not need position schedule bonds, due to having workers' compensation for Board members.

Discuss Transparency Notice and Eligible Elector Notification for 2020

Mr. Shannon explained the transparency notice and mode to eligible elector notification for 2020 to the Board and noted that this will be posted on the SDA website and the District's website.

Update on 168th Avenue and Median Landscape Improvements

Mr. Shannon provided an update on 168th Avenue and median landscape improvements to the Board, noting that work has been completed and that the District is under contract with Brightview to maintain both the medians and Homestead Tracts. Director Farkas requested the District Management discuss acceptance of improvements with the City of Brighton and provide an update at the next meeting.

Ratify Approval of Service Agreement for Landscape Services with Brightview Landscape Services, Inc.

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Upon a motion duly made by Director Farkas, seconded by Director Serra and, upon vote, unanimously carried, the Board approved ratifying the Service Agreement for Landscape Services with Brightview Landscape Services, Inc.

Ratify Approval of Service Agreement for Snow Removal Services with Brightview Landscape Services, Inc.

Upon a motion duly made by Director Farkas, seconded by Director Serra and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement for Snow Removal Services with Brightview Landscape Services, Inc.

Other

None.

Attorney Items

Review and Consider Adoption of Resolution No. 2019-11-05, Calling a Regular Election for Directors on May 5, 2020, appointing Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of mail ballot election. Self-Nomination and Acceptance Forms are due by February 28, 2020. Discuss the need for ballot issues and/or questions.

Attorney McGrath reviewed Resolution No. 2019-11-05, Calling a Regular Election for Directors with the Board.

Following review, upon a motion duly made by Director Tucker, seconded by Director Hamilton and, upon vote, unanimously carried, the Board approved Resolution No. 2019-11-05, Calling a Regular Election for Directors, appointing McGeady Becher Designated Election Official (“DEO”) and a co-DEO to be determined for performance of DEO services for the May 5, 2020 regular election.

Review and Consider Approval of Amended and Restated Agreement Regarding Construction of Homestead Phase II and Phase III Improvements between the District and Kings Co, LLC

Attorney McGrath reviewed the Amended and Restated Agreement Regarding Construction of Homestead Phase II and Phase III Improvements with the Board.

Following review, upon a motion duly made by Director Farkas, seconded by Director Hamilton and, upon vote, unanimously carried, the Board approved the Amended and Restated Agreement Regarding Construction of Homestead Phase II and Phase III Improvements between the District

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and Kings Co, LLC, subject to final review between Kings Co, LLC and District Counsel.

Update on Status of Conveyance of Brighton East Farms Filing No. 3, Amendment No. 1 Tracts B, I, J, K and L (the "Tracts") to the District

Attorney McGrath provided an update on the status of conveyance of Brighton East Farms Filing No. 3, Amendment No. 1 Tracts B, I, J, K and L to the Board.

Following discussion, upon a motion duly made by Director Farkas, seconded by Director Tucker and, upon vote, unanimously carried, the Board approved conveyance of Brighton East Farms Filing No. 3, Amendment No. 1 Tracts B, I, J, K and L, subject to legal review of Deed of Trust releases and confirmation of no encumbrances on Tracts.

Discuss status of: Acquisition of Property via Eminent Domain - Right of Way for Construction of North 60th Avenue and Sanitary Sewer Easement, Real Estate Appraisal Proposal with Clayton and Company, Inc., Notice of Intent to Acquire; acquisition and/or easement documents and consider approval of necessary document and/or actions in connection therewith

Mr. Farkas provided an overview of the situation, noting that Richmond Homes has built half of the road.

Upon a motion duly made by Director Hamilton, seconded by Director Serra and, upon vote, unanimously carried, the Board approved authorizing Ms. Alderman to move forward with eminent domain proceedings, pending a final negotiation effort with Brookfield by Director Farkas prior to December 1, 2019 and to pursue condemnation of a sewer easement after verification from the City, if required.

Discuss Reimbursement of Verified Costs for Public Improvement Construction in Homestead and in Brighton East Farms

Attorney McGrath reviewed the Reimbursement of Verified Costs for Public Improvement Construction in Homestead and in Brighton East Farms with the Board.

Following review, upon a motion duly made by Director Tucker, seconded by Director Hamilton and, upon vote, unanimously carried, the Board approved Reimbursement of Verified Costs for Public Improvement Construction in Homestead and in Brighton East Farms in the amount of \$87,249.73, subject to final legal review.

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Review and consider approval of Facilities Maintenance Agreement for Drainage Facilities Located on Private Property among the District, Kings Co, LLC and the City (Brighton East Farms Filing No. 3)

Attorney McGrath noted that the District should not enter into this Agreement at this time, but to defer entry into a maintenance agreement until after drainage facilities have been constructed and acceptance has occurred. No action was taken.

Construction Matters

Status of Oil and Gas Well Drilling for BEF and Homestead Well Pads

Director Farkas provided an update on oil and gas well drilling in the District. He noted that approval of oil and gas well drilling for BEF was received from the City. He informed the Board that Heritage Midstream is in the process of construction of crude and gas pipelines. The target for well turn on is by the end of December. Director Farkas noted that currently there is no start date for the next Homestead pad but that he should have more information in the next couple of weeks.

Other

Director Farkas noted that Richmond Homes is expected to have 60-90 homes built in 2020. He informed the Board that Homestead is soon to be mobilized to start Phase II construction; he anticipates Phase II to be paved during Phase II construction.

Board Member Items

Other

Director Hamilton requested that notice of the reduced Debt Service Mill Levy be distributed to the community. CLA will post on the District's website.

Other Business

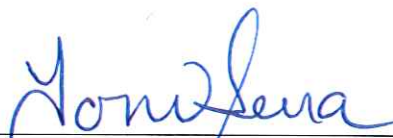
Confirm Quorum for February 4, 2020 Regular Meeting

The Board confirmed a quorum for the February 4, 2020 regular meeting.

Adjournment

There being no further business to come before the Board, the meeting adjourned at 7:34 p.m.

Respectfully submitted,


Secretary for the Meeting