

MINUTES OF THE REGULAR MEETING OF  
BASE VILLAGE METROPOLITAN DISTRICT NO. 2

December 4, 2020

The Board of Directors of the Base Village Metropolitan District No. 2 held a regular meeting, open to the public at 8:00 a. m. on December 4, 2020 by telephone conference in lieu of physical meeting due to the COVID-19 emergency restrictions limiting public meetings. Notice of the meeting has been posted on the public website (<https://www.basevillagemetro.com/district-two>) of the District.

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| Attendance:             | All present by Conference Call                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Director in Attendance: | Thomas Kosich, President (via telephone)                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Also in Attendance:     | Charles Wolfersberger, Wolfersberger, LLC (via telephone) Brian Matisse, and Emily Lubarsky, Burg Simpson law firm (via telephone)                                                                                                                                                                                                                                                                                                                                                                                    |
| Call Meeting To Order:  | The meeting was called to order at 8:13 a.m. by Director Kosich                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Conflicts of Interest:  | Director Kosich noted there were no conflicts of interest to report                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Approval of Agenda:     | Director Kosich reviewed the agenda. Director Kosich moved, seconded and unanimously approved the agenda as presented                                                                                                                                                                                                                                                                                                                                                                                                 |
| Approval of Minutes:    | The minutes of the September 30, 2020 special meeting were presented. Director Kosich reviewed the minutes. Director Kosich moved, seconded, and unanimously approved the minutes of the September 30, 2020 meeting as presented                                                                                                                                                                                                                                                                                      |
| Public Comments:        | There were no public comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Financial Matters:      | Mr. Wolfersberger presented and reviewed the proposed 2021 budget with the Board. The District has been levying and collecting 6 mills for general operations in past years and forwarding those funds to District No 1. Mr. Wolfersberger noted the District's only function is repaying debt and, therefore, all costs related to operating the District should be funded from the District's debt fund. Such costs are necessary and incidental to ensuring property taxes are properly assessed on landowners and |

property taxes are properly collected and remitted to the bondholders.

Mr. Wolfersberger stated that the Series 2016A bond indenture of trust establishes the Senior Required Mill Levy at either 41.748 mills or, if 41.748 mills combined with certain other revenue sources does not generate sufficient revenue to fully fund the annual principal and interest payment due on the Senior Bonds, 48.428 mills. He recommended levying 41.748 mills and flowing those funds through the debt service fund.

Mr. Wolfersberger also noted the cash contributions from the District to District No 1 between 2018 through 2020 has exceeded what the District was required to contribute to District No 1 under the Operations, Maintenance and Administrative Service Agreement by \$191,901. The District's required contribution to District No 1 for 2021 is expected to be approximately \$189,700. Mr. Wolfersberger recommended not transferring any cash to District No 1 in 2021 and notifying District 1 that the District's 2021 cash contribution should be deducted from the \$191,901 in past overpayments to District No 1. Therefore, the District should not levy 6 mills to fund operations in 2021. The Series 2016A bond documents provide that the cash surplus fund needs to grow to \$2 million before the debt service mill levy can be reduced below the Senior Required Mill Levy.

Mr. Wolfersberger presented the 2021 budget that provides for 41.748 mills to be levied for debt service and 1.028 mills to fund certain contractual obligations due in April 2021.

Public hearing was opened at 8:20 am. Mr. Kosich discussed the budget with the District's consultants. Public hearing closed at 8:44 am.

On a motion by Director Kosich, seconded and unanimously approved, the 2020 budget was approved and mill levies set at 1.028 mills for operations and 41.748 mills for debt service.

Legal Matters:

Mr. Matise discussed the status of the current litigation involving the District. The matter is currently in the discovery phase, and depositions continue to be taken.

Director Kosich stated that he is pleased with the change in legal counsel. He would like Mr. Matisse to work on separation of operations with District 1 and termination of the IGA.

Mr. Wolfersberger stated that he has been in communication with Jon Erickson at Marchetti & Weaver - the accountant for District 1. Mr. Erickson indicated he discussed the District's \$191,901 credit with the District No. 1 Board and they are fine with District No 1 funding its operating and administrative costs in 2021 with the \$191,901 accumulated overpayment from the District.

Director Kosich reiterated that the goal is to separate out District 2 finances from District 1.

Adjournment:

There being no further business to come before the Board, the meeting was adjourned at 8:50 am.

DocuSigned by:

*Thomas Kosich*

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Secretary for the District