

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

Special Board Meeting Minutes

Meeting Date: Wednesday, September 29, 2021

Meeting Time: 8:08am to 8:38am

Meeting Location: Online video conference held at the following site:

<https://www.gotomeet.me/Wolfersberger> Members of the public could also participate via phone using the dial-in number (571) 317-3112 and access code #937-865-597.

I. Call to Order (8:08am)

A special meeting of the Board of Directors of Base Village Metropolitan District No 2 (District) was called and held as shown above and in accordance with the statutes of the State of Colorado. The following Directors were in attendance:

Directors	Office	Attendance
Thomas Kosich	President	Present
Vacancy		
Vacancy		
Vacancy		
Vacancy		

Also, in attendance was Charles Wolfersberger (District Manager) with Wolfersberger, LLC and Brian Matise (General Counsel) with Burg Simpson Eldredge Hersh Jardine PC. No property owners were in attendance.

II. Roll Call

The meeting was called to order by Director Kosich. Director Kosich noted that a quorum of the Board was present, and the Directors confirmed their qualification to serve and, therefore, called the special meeting of the Board of Directors of the District to order.

III. Present Disclosures of Potential Conflicts of Interest

The Board reviewed the agenda for the meeting, following which Director Kosich disclosed no conflicts of interest with the business to be discussed and conducted at the meeting.

IV. Meeting Agenda

Director Kosich reviewed the meeting agenda presented by the District Manager and motioned to approve the agenda as presented.

V. Prior Meeting Minutes Review

Director Kosich reviewed the drafts of the meeting minutes for the March 31, 2021 and June 30, 2021 board meetings and motioned to approve the meeting minutes as presented.

VI. Public Comments – None

VII. Financial Matters

- 1) Review financial reports through August 31, 2021: The District Manager presented and reviewed the District's financial statements with the Board. Through August 31, 2021, the District has collected 98.2% of property tax assessments and 60.8% of projected specific ownership tax revenue.

As of August 31, 2021, cash in the checking, CSAFE and Bond trustee accounts totaled \$188,386, \$696,751 and \$2,731,849, respectively.

Year-to-date expenses in the debt fund are as follows:

Expense Category	Actual	Budget	\$ Difference	% of Budget Spent
Direct and indirect collection costs	\$ 134,138	\$ 169,187	\$ 35,049	79.3%
Interest expense	1,442,229	1,763,313	321,084	81.8%
Total Costs	\$1,576,367	\$ 1,932,500	\$ 356,133	81.6%

VIII. 2022 Budget

- 1) Public hearing on District's proposed 2022 budget: Director Kosich motioned to open the public hearing at 8:16am regarding the proposed 2022 Budget. The District Manager reviewed the proposed 2022 budget. Highlights from the review included the following:
 - The combined debt and operations property tax mill levy for 2022 will increase from 42.776 in 2021 to 47.748 in 2022. The entire increase is related to increasing the mill levy to fund the District's general operations from 0.000 mills in 2021 to 6.000 mills in 2022. The District is subject to an Operations, Maintenance and Administrative Service Agreement (OMA Agreement) between the District and Base Village Metropolitan District No 1 (BVMD1) that was executed in November 2016 when the directors on both boards were the same and all directors reported conflicts of interest (beyond the conflicts created from serving on both boards). The OMA Agreement requires the District to assess and remit property tax revenue generated under the operating mill levy to BVMD1. In exchange BVMD1 agreed to provide certain services to the District. Prior to 2021, funds remitted to BVMD1 exceeded the costs BVMD1 claimed it incurred from providing services to the District. Hence, the District set the operating mills for 2021 to 0.000. For 2022, the District levied 6.000 mills in compliance with the OMA Agreement. For 2022, the District will continue funding its accounting, legal and management needs from the debt mill levy. The District further notes the several ongoing conflicts of interest reported by the directors on BVMD1 – all who indicate their conflicts may cause them to "...may impinge on [their] fiduciary duty and the public trust..." Considering such disclosures provided by the BVMD1 board, the District Manager and General Counsel expressed

concern regarding the remittance of District funds to a group that openly reports conflicts of interest.

- Because the District provides no services to residents, all costs related to operating the District are allocated to the debt fund and recognized as indirect collection costs.

Director Kosich motioned to close the 2022 Budget public hearing at 8:22am.

- 2) Consider resolution to adopt 2022 budget, appropriate funds, set mill levies: The District Manager presented the resolution to adopt the 2022 budget, set mill levies and appropriate funds. Director Kosich motioned to approve the resolution as presented.

Action Item #3: District Manager will file the 2022 budget with the State of Colorado and the mill levy certification with the County Treasurer.

IX. Legal Matters

Director Kosich provided a brief update regarding the status of the civil action initiated by the District against The Related Companies, L.P., et al. in Pitkin District Court. The Complaint seeks to recover monetary damages and other relief from certain development entities and consultants based on allegations of securities fraud, breach of fiduciary duty, conspiracy, and other causes of action related to certain transactions related to the issuance and refinancing of the District's long-term debt in 2013 and 2016.

X. Other Business

Mr. Matise stated that this would be his last meeting as general counsel for the District and expressed his appreciation for the opportunity to serve the District. Mr. Matise is resigning as general counsel for personal reasons unrelated to any matters regarding the District. Director Kosich expressed his appreciation for Mr. Matise' time serving as the District's general counsel. The District Manager and Mr. Matise recommended Director Kosich consider hiring Paul Rufien as general counsel for the District.

XI. Adjournment (8:38am)

There being no further business to come before the Board, and upon motion duly made by Director Kosich, the meeting was adjourned. The next board meeting is scheduled for Thursday February 24, 2022 at 8:00am online at the following location: <https://www.gotomeet.me/Wolfersberger> Members of the public may also participate via phone using the dial-in number (571) 317-3112 and access code #937-865-597

DocuSigned by:		
	Thomas Kosich	3/24/2022
Secretary		Date