

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CANAL AVENUE METROPOLITAN DISTRICT (THE "DISTRICT")
HELD
November 17, 2022

A regular meeting of the Board of Directors of the Canal Avenue Metropolitan District (referred to hereafter as the "Board") was convened on Thursday, November 17, 2022, at 1:00 p.m. This District Board meeting was held via video/teleconference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Rob Andrews
Taylor Nelson
Jacquelyn Adams

Also, In Attendance Were:

Paula Williams; McGeady Becher P.C.
Jim Ruthven, Special District Management Services, Inc.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors 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 Williams that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, and no additional conflicts were disclosed at the meeting.

ADMINISTRATIVE MATTERS

Quorum/Confirmation of Meeting Location/Posting of Notice: Attorney Williams confirmed the presence of a quorum.

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 Nelson, seconded by Director Andrews, and upon vote unanimously carried, the Board determined that this meeting was conducted via video/teleconference and encouraged public participation via video/teleconference. It was further noted that notice of the video/teleconference time and date was duly posted and that no objections to the video/teleconference or any requests that the meeting place be changed by taxpaying electors within the District's boundaries have been received.

RECORD OF PROCEEDINGS

Designation of 24-Hour Posting Location: Following discussion, upon motion duly made by Director Nelson, seconded by Director Andrews, and upon vote unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted on the District website at least 24 hours prior to each meeting at <https://canalavenuemetropolitandistrict.specialdistrict.net/>

Public Comment: None.

May 3, 2022 Directors' Election: Attorney Williams advised the Board that the Designated Election Official cancelled the May 3, 2022 Directors' Election, as allowed under Colorado law, because there were not more candidates than positions available on the Board of Directors. Director Nelson was deemed elected to a 1-year term, ending May 2, 2023, and Directors Andrews and Adams were deemed elected to 3-year terms, ending May 6, 2025.

Board Vacancies: It was noted that there are no interested candidates at this time.

Appointment of Officers: Following discussion, upon motion duly made by Director Nelson, seconded by Director Andrews, and upon vote unanimously carried, the following slate of officers were appointed for the District:

President:	Rob Andrews
Treasurer:	Jacquelyn Adams
Assistant Secretary:	Taylor Nelson
Secretary:	Catherine Will (non-elected position)

Minutes of November 18, 2021 Special Meeting: The Board reviewed the Minutes of the November 18, 2021 Special Meeting. Following review and discussion, upon motion duly made by Director Nelson, seconded by Director Andrews, and upon vote unanimously carried, the Board approved the Minutes.

Engagement of District Manager: No action taken.

Engagement of District Engineer: Following review and discussion, upon motion duly made by Director Nelson, seconded by Director Andrews, and upon vote unanimously carried, the Board acknowledged the engagement of Independent District Engineering Services, LLC as District Engineer.

Resolution No. 2022-11-01; Establishing Regular Meeting Dates, Time and Location, Establishing District Website, and Designating Location for Posting of 24-Hour Notices: The Board discussed the business to be conducted in 2023.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Nelson, seconded by Director Andrews, and upon vote unanimously carried, the Board adopted Resolution No. 2022-11-01; Establishing Regular Meeting Dates, Time and Location, Establishing District Website, and Designating Location for Posting of 24-Hour Notices and determined to hold 2023 meetings virtually on November 16, 2023 at 1:00 p.m. via video/teleconference.

District Insurance: The Board approved renewing the District's general liability insurance coverage, public officials' coverage, workers' compensation coverage and instructed consultants to proceed accordingly. The Board further directed renewal of the District's Special District Association membership.

FINANCIAL MATTERS

Public Hearing on Amendment to 2022 Budget: The public hearing to consider an amendment to the 2022 Budget was opened.

It was noted that publication of Notice stating that the Board would consider amendment of the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed.

It was noted that no amendment to the 2022 Budget was required.

Public Hearing on 2023 Budget: The public hearing to consider the proposed 2023 Budget and to discuss related issues was opened.

It was noted that Notice stating that the Board would consider adoption of the 2023 budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed.

The Board reviewed the estimated 2022 expenditures and the proposed 2023 expenditures.

Upon motion duly made by Director Nelson, seconded by Director Andrews, and upon vote unanimously carried, the Board approved the 2023 Budget, as discussed, and considered adoption of Resolution No. 2022-11-02 to Adopt the 2023 Budget and Appropriate Sums of Money and Resolution No. 2022-11-03

RECORD OF PROCEEDINGS

to Set Mill Levies (0.000 mills in the General Fund and 0.000 mills in the Debt Service Fund, for a total mill levy of 0.000 mills.) Following discussion, and upon vote unanimously carried, the Board adopted the Resolutions and authorized execution of the Certification of Budget. The District Accountant was directed to transmit the Certification of Tax Levies to the Board of County Commissioners of Adams County not later than December 15, 2022. District Counsel was directed to transmit the Certification of Budget to the Division of Local Government no later than January 30, 2023.

DLG-70 Mill Levy Certification Form: Following discussion, upon motion duly made by Director Nelson, seconded by Director Andrews, and upon vote unanimously carried, the Board authorized 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.

2024 Budget Preparation: Following discussion, upon motion duly made by Director Nelson, seconded by Director Andrews, and upon vote unanimously carried, the Board appointed the District Accountant to prepare the 2024 Budget.

Application for 2022 Audit Exemption: The Board discussed appointing the District Accountant to prepare and file the Application for Audit Exemption for 2022. Following discussion, upon a motion duly made by Director Nelson, seconded by Director Andrews, and upon vote unanimously carried, the Board appointed the District Accountant to prepare and file the Application for Audit Exemption for 2022.

Bond Issuance: The Board discussed potential timing for a bond issuance in 2023.

LEGAL MATTERS

Amended and Restated Facilities Funding and Reimbursement Agreement between the District, 104 Commerce Park 1, LLC, and 104 Commerce Park 2, LLC (“Amended and Restated FFRA”): Following discussion, upon motion duly made by Director Nelson, seconded by Director Andrews, and upon vote unanimously carried, the Board acknowledged the Amended and Restated FFRA.

First Amendment to Operation Funding Agreement between the District, 104 Commerce Park 1, LLC, and 104 Commerce Park 2, LLC: Attorney Williams presented the Operation Funding Agreement between the District, 104 Commerce Park 1, LLC, and 104 Commerce Park 2, LLC (“OFA”) to the Board. Following discussion, upon motion duly made by Director Andrews, seconded

RECORD OF PROCEEDINGS

by Director Nelson, and upon vote unanimously carried, the Board approved the OFA as discussed.

First Amendment to Amended and Restated Facilities Funding and Reimbursement Agreement between the District, 104 Commerce Park 1, LLC, and 104 Commerce Park 2, LLC (“First Amendment to Amended and Restated FFRA”): Following review and discussion, upon motion duly made by Director Nelson, seconded by Director Andrews, and upon vote unanimously carried, the Board approved the First Amendment to Amended and Restated FFRA.

Section 32-1-809, C.R.S., Requirements (Transparency Notice): Attorney Williams discussed the special district transparency requirements of Section 32-1-809, C.R.S., with the Board. Following discussion, the Board directed District Counsel to post the special district transparency notice on the Special District Association website and the District website.

Resolution No. 2022-11-04 Calling May 3, 2022 Election: The Board discussed the May 2, 2023 election. Following discussion, upon motion duly made by Director Nelson, seconded by Director Andrews, and upon vote unanimously carried, the Board adopted Resolution No. 2022-11-04 Calling a May 2, 2023 Directors’ Election which appointed Catherine Will as the Designated Election Official and authorized her to perform all tasks required for the May 2, 2023 Regular Election of the Board of Directors for the conduct of a mail ballot election.

CONSTRUCTION MATTERS

2024 Development Outlook: Director Nelson provided an update on projects within the District, noting that buildings are anticipated to be leased in 2023 and Phase 2 construction will begin in 2023.

Operations Plans: The Board discussed the need for certain easements for the lift station and sanitary sewer line. It is anticipated that the District will enter into a landscape maintenance contract and lift station contract. Director Adams will provide proposals to District Counsel for preparation of service agreements.

OTHER BUSINESS

None.

RECORD OF PROCEEDINGS

ADJOURNMENT

There being no further business to come before the Board at this time, the meeting was adjourned.

Respectfully submitted,

By Catherine V. Weir
Secretary for the Meeting