

## MIDCITIES METROPOLITAN DISTRICT NO. 2

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
Fax: 303-987-2032

### NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Douglas McCormick	President	May 2023/2023
Greg Patrick	Vice President	May 2025/2025
George Turtle	Treasurer	May 2023/2023
Charles Tash	Assistant Secretary	May 2025/2025
Kael T. Russell	Assistant Secretary	May 2025/2025
David Solin	Secretary	

DATE: June 21, 2022 (Tuesday)

TIME: 1:00 p.m.

PLACE: **TO ATTEND THIS MEETING DIAL THE PHONE NUMBER BELOW, AND ENTER THE INDICATED MEETING ID NUMBER AND PASSCODE WHEN PROMPTED:**

**Phone: 1-669-900-6833**  
**Meeting ID Number: 5469119353**  
**Passcode: 912873**

#### I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

---

B. Approve Agenda, confirm location of the meeting and posting of meeting Notice.

---

C. Discuss status of May 3, 2022 Director's Election (enclosure).

---

D. Consider appointment of Officers:

President \_\_\_\_\_

Treasurer \_\_\_\_\_

Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

- E. Review and approve Minutes of the March 15, 2022 Special Meeting and the April 4, 2022 Special Meeting (enclosures).
- 

II. PUBLIC COMMENTS

- A. \_\_\_\_\_

III. FINANCIAL MATTERS

- A. Review and ratify the approval of the payment of claims as follows (enclosures):

Fund	Period ending March 31, 2022	Period ending April 30, 2022	Period ending May 31, 2022
General	\$ 7,696.41	\$ 27,293.23	\$ 7,171.40
Debt	\$ -0-	\$ -0-	\$ -0-
Capital	\$ 665.83	\$ 830.83	\$ 913.33
<b>Total</b>	<b>\$ 8,362.24</b>	<b>\$ 28,124.06</b>	<b>\$ 8,084.73</b>

---

- B. Review and accept unaudited financial statements for the period ending March 31, 2022 (enclosure).
- 

- C. Review and consider approval of 2021 draft Audit (enclosures) and authorize execution of Representations Letter.
- 

- D. Discuss Sales Tax Report (enclosure).
- 

IV. LEGAL MATTERS

- A. Public Hearing on Lock at Flatiron, LLC Petition for Exclusion of Lot 2, MidCities Filing No. 1 and action by Board of Directors to approve/deny the Petition (enclosure-Petition).
- 

V. CAPITAL MATTERS

- A. Discuss status of the Parking Structure Project.
-

B. Ratify approval of a Reimbursement Agreement by and between the City and County of Broomfield and MidCities Metropolitan District No. 1 for Regional Trail Improvements (enclosure).

---

C. Review and consider approval of proposal for Environmental Clearances from Smith Environmental & Engineering for the MidCities Metropolitan District No. 2 Trail Connection (enclosure).

---

D. Discuss status of retaining wall repair work.

---

E. Discuss Trail Completion Project.

---

VI. OTHER MATTERS

A. \_\_\_\_\_

VII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR SEPTEMBER 20, 2022.**

**NOTICE OF CANCELLATION**  
**and**  
**CERTIFIED STATEMENT OF RESULTS**  
§1-13.5-513(6), 32-1-104, 1-11-103(3) C.R.S.

**NOTICE IS HEREBY GIVEN** by the MidCities Metropolitan District No. 2, City and County of Broomfield, Colorado, that at the close of business on the sixty-third day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election to be held on May 3, 2022 is hereby canceled pursuant to section 1-13.5-513(6) C.R.S.

The following candidates are declared elected for the following terms of office:

<u>Name</u>	<u>Term</u>
Greg Patrick	Second Regular Election, May 2025
Charles Tash	Second Regular Election, May 2025
Kael T. Russell	Second Regular Election, May 2025

/s/David Solin  
(Designated Election Official)

Contact Person for the District:	David Solin
Telephone Number of the District:	303-987-0835
Address of the District:	141 Union Boulevard, Suite 150, Lakewood, CO 80228
District Facsimile Number:	303-987-2032
District Email:	dsolin@sdmsi.com

## RECORD OF PROCEEDINGS

---

### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD MARCH 15, 2022

A Special meeting of the Board of Directors (referred to hereafter as “Board”) of the MidCities Metropolitan District No. 2 (referred to hereafter as “District”) was held on Tuesday, the 15th day of March, 2022 at 1:00 p.m. This District Board meeting was held by conference call without any individuals (neither District Representatives or the General Public) attending in person. The meeting was held by conference call and was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

Douglas McCormick  
Greg Patrick  
George Turtle  
Charles Tash  
Kael T. Russell

##### Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Paul Cockrel; Collins; Cockrel & Cole, P.C.

Kimberly Johannis; Simmons & Wheeler, P.C.

Jason Simmons; Hilltop Securities, Inc. (For a portion of the meeting)

#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

**Disclosure of Potential Conflicts of Interest:** Attorney Cockrel reported that, in accordance with statutory requirements, Disclosure of Potential Conflict of Interest Statements were previously filed by Directors McCormick with the District and the Secretary of State disclosing potential conflicts of interest, because of such Director respective previous or current ownership, directorship and officership interests in or employment relationships with companies which previously owned and developed property within the District and/or MidCities Metropolitan District No. 2 (referred to hereafter as “District No. 2” and together with the District, the “Districts”) or which were involved in the development of such property, including entering into various construction, funding, acquisition and reimbursement, and management contracts with the Districts, including without limitation the Funding Agreement, the Amended and Restated Reimbursement Agreement, the Parking Garage Lease Purchase Agreement and the Infrastructure Acquisition Agreement (collectively referred to hereafter as

## RECORD OF PROCEEDINGS

---

“Coalton Contracts”). Director Douglas McCormick has disclosed his former involvement as a member, officer or director of, or as owners or creditors having a direct or indirect financial interest in, Alliance Commercial Holdings I, LLC (referred to hereafter as “Alliance Holdings”), which was the manager of Coalton Associates, LLC (referred to hereafter as “Coalton Associates”), which was a member and the sole owner of Coalton Acres, LLC (referred to hereafter as “Coalton Acres”), which had, but now has sold or disposed of, various land ownership and/or development interests within the Districts. Coalton Acres also was a member of Coalton Holdings, LLC (“Coalton Holdings” and together with Coalton Acres, “Coalton”), which also had, but now has disposed of, its land ownership and/or development interests within the District.

The Disclosure of Potential Conflict of Interest Statements were incorporated into the record of the meeting and will be deemed continuing until modified or withdrawn.

All Directors present stated that the participation of at least three of them in the regular meeting was necessary to obtain a quorum of the Board or otherwise enable the Board to act; that written disclosures of such potential conflicts of interest of each Director had previously been filed with the Districts and the Secretary of State in accordance with statutory requirements; and that the nature of each Director’s private interests related to the ownership, creditor or employment relationships or directorship or officership positions in companies, including Coalton, which formerly owned and developed property within the Districts, and is a party to and has interests under the Coalton Contracts. After each Director had summarily stated for the record the fact and nature of his private interests and further stated that the determination to participate in voting or to take any other action on any contract or other matter in which a Director may have a private interest would be made in compliance with Section 24-18-201(1)(b)(V), C.R.S., on an ad hoc basis, the Board turned its attention to the agenda items. All disclosures of potential conflicts of interest of the Directors shall be deemed continuing in nature until withdrawn.

### **ADMINISTRATIVE MATTERS**

**Agenda:** The Board reviewed the proposed Agenda for the District’s Special Meeting.

Following discussion, upon motion duly made by Director McCormick, seconded by Director Patrick, upon vote, unanimously carried, the Board approved the Agenda, as amended.

**Approval of Meeting Location:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District Board meetings.

Following discussion, the Board determined that this Special Meeting will be held by conference call. No members of the General Public were in attendance.

## RECORD OF PROCEEDINGS

---

**Minutes:** The Board reviewed the Minutes of the November 16, 2021 Special Meeting and the January 13, 2022 work session meeting.

Following discussion, upon motion duly made by Director Turtle, seconded by Director Patrick, upon vote, unanimously carried, the Board approved the Minutes of the November 16, 2021 Special Meeting and the January 13, 2022 work session meeting were approved, as presented.

### **PUBLIC COMMENT**

There was no public comment.

### **FINANCIAL MATTERS**

**Payment of Claims:** The Board considered ratifying approval of the payment of claims for the periods ending as follows:

Fund	Period ending Nov. 24, 2021	Period ending Dec. 25, 2021	Period ending Jan. 31, 2022	Period ending Feb. 28, 2022
General	\$ 9,352.52	\$ 31,723.92	\$ 24,591.24	\$ 2,150.64
Debt	\$ -0-	\$ -0-	\$ 5,000.00	\$ -0-
Capital	\$ 665.83	\$ 665.83	\$ 1,550.83	\$ 665.83
<b>Total</b>	<b>\$ 10,018.35</b>	<b>\$ 32,389.75</b>	<b>\$ 31,142.07</b>	<b>\$ 2,816.47</b>

Following discussion, upon motion duly made by Director Russell, seconded by Director Turtle and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented.

**Unaudited Financial Statements:** The Board reviewed the unaudited financial statements of the District for the period ending December 31, 2021.

Following review and discussion, upon motion duly made by Director Turtle, seconded by Director Tash, and upon vote, unanimously carried, the Board accepted the unaudited financial statements of the District for the period ending December 31, 2021, as presented.

**Sales Tax Report:** Mr. Solin discussed with the Board the District Sales Tax Report.

**Second Amendment to U.S. Bank Loan Agreement:** The Board discussed the Second Amendment to U.S. Bank Loan Agreement.

Following discussion, upon motion duly made by Director Turtle, seconded by Director Russell and, upon vote, unanimously carried, the Board ratified approval of the Second Amendment to U.S. Bank Loan Agreement.

## RECORD OF PROCEEDINGS

---

**Payment in Lieu of Taxes (“PILOT”) Agreements:** Attorney Cockrel and Ms. Johanns discussed with the Board the PILOT agreements and the payment responsibilities the Agreements create with the property owners.

### **LEGAL MATTERS**

**Public Hearing on the Exclusion of Land Owned by Lock at Flatiron, LLC:** The President opened the Public Hearing on a Petition for Exclusion of property owned by the Lock at Flatiron, LLC (“Petition”).

It was noted that publication of notice stating that the Board would consider the inclusion of the property 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 this public hearing. No public comments were received and the public hearing was closed.

Following discussion, the Board deferred action.

**Series 2022 Special Revenue Refunding Bonds refinancing:** Mr. Simmons updated the Board on the Series 2022 Special Revenue Refunding Bonds refinancing, and the need to schedule a special meeting to approve the Bond closing documents. The Special Meeting will need to be scheduled at the end of March or in early April, to be determined by the timing of the City and County of Broomfield’s review of the proposed transaction.

### **CAPITAL MATTERS**

**Parking Structure Project:** Mr. Solin updated the Board on the status of the parking structure project.

**Regional Trail Project and Intergovernmental Agreement with the City and County of Broomfield:** The Board discussed the status of the Regional Trail Project and review and approval of Intergovernmental Agreement with the City and County of Broomfield.

Following discussion, upon motion duly made by Director McCormick, seconded by Director Turtle and, upon vote, unanimously carried, the Board approved the Intergovernmental Agreement with the City and County of Broomfield, subject to final legal revisions.

**Retaining Wall Repair Work:** The Board discussed the status of the retaining wall repair work and determined there was no action necessary at this time.

**Service Agreement between the District and Flatiron Owners Association Inc. for property Management:** The Board considered the approval of a Service Agreement between the District and Flatiron Owners Association Inc. for property management.



## RECORD OF PROCEEDINGS

---

Following discussion, upon motion duly made by Director Russell, seconded by Director Turtle and, upon vote, carried with Directors Russell and Turtle voting "Yes" and Directors Tash and Patrick abstaining, the Board ratified approval of the Service Agreement between the District and Flatiron Owners Association Inc. for property management.

\_\_\_\_\_

### **OTHER MATTERS**

None.

\_\_\_\_\_

### **ADJOURNMENT**

There being no further business to come before the Board at this time, upon motion duly made by Director Tash, seconded by Director Patrick, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

## RECORD OF PROCEEDINGS

---

### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD APRIL 4, 2022

A Special meeting of the Board of Directors (referred to hereafter as “Board”) of the MidCities Metropolitan District No. 2 (referred to hereafter as “District”) was held on Monday, the 4th day of April, 2022 at 1:00 p.m. This District Board meeting was held by conference call without any individuals (neither District Representatives or the General Public) attending in person. The meeting was held by conference call and was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

Douglas McCormick  
Greg Patrick  
George Turtle  
Charles Tash  
Kael T. Russell

##### Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Paul Cockrel; Collins; Cockrel & Cole, P.C.

Kimberly Johanns; Simmons & Wheeler, P.C.

Ken Guckenberger; Kutak Rock LLP

Jason Simmons; Hilltop Securities, Inc.

Tom Wynne; Wells Fargo Corporate & Investment Banking

#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

**Disclosure of Potential Conflicts of Interest:** Attorney Cockrel reported that, in accordance with statutory requirements, Disclosure of Potential Conflict of Interest Statements were previously filed by Directors McCormick with the District and the Secretary of State disclosing potential conflicts of interest, because of such Director respective previous or current ownership, directorship and officership interests in or employment relationships with companies which previously owned and developed property within the District and/or MidCities Metropolitan District No. 2 (referred to hereafter as “District No. 2” and together with the District, the “Districts”) or which were involved in the development of such property, including entering into various

## RECORD OF PROCEEDINGS

---

construction, funding, acquisition and reimbursement, and management contracts with the Districts, including without limitation the Funding Agreement, the Amended and Restated Reimbursement Agreement, the Parking Garage Lease Purchase Agreement and the Infrastructure Acquisition Agreement (collectively referred to hereafter as “Coalton Contracts”). Director Douglas McCormick has disclosed his former involvement as a member, officer or director of, or as owners or creditors having a direct or indirect financial interest in, Alliance Commercial Holdings I, LLC (referred to hereafter as “Alliance Holdings”), which was the manager of Coalton Associates, LLC (referred to hereafter as “Coalton Associates”), which was a member and the sole owner of Coalton Acres, LLC (referred to hereafter as “Coalton Acres”), which had, but now has sold or disposed of, various land ownership and/or development interests within the Districts. Coalton Acres also was a member of Coalton Holdings, LLC (“Coalton Holdings” and together with Coalton Acres, “Coalton”), which also had, but now has disposed of, its land ownership and/or development interests within the District.

The Disclosure of Potential Conflict of Interest Statements were incorporated into the record of the meeting and will be deemed continuing until modified or withdrawn.

All Directors present stated that the participation of at least three of them in the regular meeting was necessary to obtain a quorum of the Board or otherwise enable the Board to act; that written disclosures of such potential conflicts of interest of each Director had previously been filed with the Districts and the Secretary of State in accordance with statutory requirements; and that the nature of each Director’s private interests related to the ownership, creditor or employment relationships or directorship or officership positions in companies, including Coalton, which formerly owned and developed property within the Districts, and is a party to and has interests under the Coalton Contracts. After each Director had summarily stated for the record the fact and nature of his private interests and further stated that the determination to participate in voting or to take any other action on any contract or other matter in which a Director may have a private interest would be made in compliance with Section 24-18-201(1)(b)(V), C.R.S., on an ad hoc basis, the Board turned its attention to the agenda items. All disclosures of potential conflicts of interest of the Directors shall be deemed continuing in nature until withdrawn.

---

### **ADMINISTRATIVE MATTERS**

**Agenda:** The Board reviewed the proposed Agenda for the District’s Special meeting.

Following discussion, upon motion duly made by Director McCormick, seconded by Director Turtle, upon vote, unanimously carried, the Board approved, the Agenda, as presented.

## RECORD OF PROCEEDINGS

---

**Approval of Meeting Location:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District Board meetings.

Following discussion, the Board determined that this Special Meeting will be held by conference call. No members of the General Public were in attendance.

**PUBLIC  
COMMENT**

There was no public comment.

**LEGAL MATTERS**

**Lock at Flatiron, LLC Petition for Exclusion of Lot 2, MidCities Filing No. 1 Hearing:** Attorney Cockrel reviewed the status of the Lock at Flatiron, LLC Petition for Exclusion of Lot 2, MidCities Filing No. 1. The public hearing on the Petition was held at the meeting on March 15, 2022; no action was taken by the Board of Directors to approve or deny the Petition.

Following discussion, the Board again deferred action to the June meeting of the Board.

**Resolution authorizing the Issuance of General Obligation Indebtedness, Specifically the District's Special Revenue Refunding Bonds, Series 2022A:** The Board considered the adoption of a Resolution authorizing the issuance of general obligation indebtedness, specifically the District's Special Revenue Refunding Bonds, Series 2022A, in the aggregate principal amount of \$48,805,000, and authorizing the execution and delivery of all documents, agreements and certificates in connection therewith. Jason Simmons, the District's financial advisor, and Tom Wynne with Wells Fargo, the bond underwriter, reviewed the final financial details of the refinancing. Attorney Cockrel and Ken Guckenberger, bond counsel, reviewed the Resolution and various bond documents authorized in the Resolution.

Following discussion, upon motion duly made by Director Turtle, seconded by Director McCormick and, upon vote, unanimously carried, the Board adopted the Resolution authorizing the issuance of general obligation indebtedness, specifically the District's Special Revenue Refunding Bonds, Series 2022A, in the aggregate principal amount of \$48,805,000, and authorizing the execution and delivery of all documents, agreements and certificates in connection therewith.

**OTHER MATTERS**

None.

## RECORD OF PROCEEDINGS

---

### ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Tash, seconded by Director Russell, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

**MidCities Metropolitan District No. 2**  
**March-22**

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>	<b>Department</b>
Prairie Mountain Media	1867695	3/16/2022	3/16/2022	\$ 40.92	Election expense	9120	1
Revesco Property Services	Jan-March Fees	3/9/2022	3/9/2022	\$3,000.00	Property Mgmt/FOA	7205	1
Simmons & Wheeler, PC	32432	1/31/2022	1/31/2022	\$1,137.03	Accounting	9050	1
Simmons & Wheeler, PC	32597	2/28/2022	2/28/2022	\$1,662.25	Accounting	9050	1
Special District Association	SDA- 2022	2/28/2022	2/28/2022	\$ 877.96	Insurance	9200	1
Special District Management Service	Feb-22	2/28/2022	2/28/2022	\$ 192.40	Accounting	9050	1
Special District Management Service	Feb-22	2/28/2022	2/28/2022	\$ 177.60	Election expense	9120	1
Special District Management Service	Feb-22	2/28/2022	2/28/2022	\$ 592.00	District Management	9100	1
Special District Management Service	Feb-22	2/28/2022	2/28/2022	\$ 16.25	Miscellaneous	9450	1
Weathercraft Company of Colorado	8429	2/25/2022	3/27/2022	\$ 665.83	Parking Garage	7510	2

\$8,362.24

MidCities Metropolitan District No. 2  
March-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 7,696.41		\$ 665.83	\$ 8,362.24
Payroll		-		\$ -
		-		
<b>Total Disbursements from Checking Acct</b>	<b>\$7,696.41</b>	<b>\$0.00</b>	<b>\$665.83</b>	<b>\$8,362.24</b>

**MidCities Metropolitan District No. 2**

**April-22**

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>	<b>Department</b>
Cockrel Ela Glesne Greher & Ruhland, P.C.	3013.002 03/2022	3/31/2022	3/31/2022	\$ 2,379.50	Legal	9300	1
Cockrel Ela Glesne Greher & Ruhland, P.C.	3013.002 02/2022	2/28/2022	2/28/2022	\$ 605.50	Legal	9300	1
Cockrel Ela Glesne Greher & Ruhland, P.C.	3013.002 01/2022	1/31/2022	1/31/2022	\$ 1,168.50	Legal	9300	1
Collins Engineers, Inc.	51563	3/31/2022	3/31/2022	\$ 165.00	Engineering	7840	2
Flatiron Owners' Association, Inc. c/o Revesco Property Services	T0000545 Q2	3/18/2022	3/18/2022	\$ 784.47	Property Mgmt/FOA	7205	1
Flatiron Owners' Association, Inc. c/o Revesco Property Services	T0000530 Q2	3/18/2022	3/18/2022	\$ 318.57	Property Mgmt/FOA	7205	1
Flatiron Owners' Association, Inc. c/o Revesco Property Services	T0000500 Q2	3/18/2022	3/18/2022	\$ 1,202.89	Property Mgmt/FOA	7205	1
Flatiron Owners' Association, Inc. c/o Revesco Property Services	T0000549 Q2	3/18/2022	3/18/2022	\$ 4,196.98	Property Mgmt/FOA	7205	1
Flatiron Owners' Association, Inc. c/o Revesco Property Services	T0000541 Q2	3/18/2022	3/18/2022	\$ 3,037.04	Property Mgmt/FOA	7205	1
Flatiron Owners' Association, Inc. c/o Revesco Property Services	T0000524 Q2	3/18/2022	3/18/2022	\$ 7.21	Property Mgmt/FOA	7205	1
Flatiron Owners' Association, Inc. c/o Revesco Property Services	T0000523 Q2	3/18/2022	3/18/2022	\$ 852.23	Property Mgmt/FOA	7205	1
Flatiron Owners' Association, Inc. c/o Revesco Property Services	T0000516 Q2	3/18/2022	3/18/2022	\$ 7,963.32	Property Mgmt/FOA	7205	1
Prairie Mountain Media	304080	3/31/2022	3/31/2022	\$ 49.72	Election expense	9120	1
Simmons & Wheeler, PC	32778	3/31/2022	3/31/2022	\$ 713.15	Accounting	9050	1
Special District Management Service	Mar-22	3/31/2022	3/31/2022	\$ 414.40	Accounting	9050	1
Special District Management Service	Mar-22	3/31/2022	3/31/2022	\$ 177.60	Election expense	9120	1
Special District Management Service	Mar-22	3/31/2022	3/31/2022	\$ 2,960.00	District Management	9100	1
Special District Management Service	Mar-22	3/31/2022	3/31/2022	\$ 0.40	Miscellaneous	9450	1
Weathercraft Company of Colorado	8445	3/25/2022	4/24/2022	\$ 665.83	Parking Garage	7510	2

\$27,662.31



Check Issue Date	Check Number	Payee	Amount
04/22/2022	90100	McCormick, Douglas	92.35
04/22/2022	90101	Turtle, George	92.35
04/22/2022	90102	Patrick, Gregory	92.35
04/22/2022	90103	Tash, Charles	92.35
04/22/2022	90104	Russell, Kael T.	92.35
Grand Totals:			
	<u>5</u>		<u>461.75</u>

**MidCities Metropolitan District No. 2**  
**April-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
<b>Disbursements</b>	\$ 26,831.48		\$ 830.83	\$ 27,662.31
<b>Payroll</b>	461.75	-		\$ 461.75
		-		
<b>Total Disbursements from Checking Acct</b>	<b>\$27,293.23</b>	<b>\$0.00</b>	<b>\$830.83</b>	<b>\$28,124.06</b>

**MidCities Metropolitan District No. 2**  
**May-22**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number	Department
Cockrel Ela Glesne Greher & Ruhland, P.C.	3013.002	4/30/2022	4/30/2022	\$ 2,764.00	Legal	9300	1
Collins Engineers, Inc.	51731	4/30/2022	4/30/2022	\$ 247.50	Engineering	7840	2
Flatiron Owners' Association, Inc. c/o Revesco Property Services	April-May Fees	5/1/2022	5/1/2022	\$ 2,000.00	Property Mgmt/FOA	7205	1
Special District Management Service	Apr-22	4/30/2022	4/30/2022	\$ 769.60	Accounting	9050	1
Special District Management Service	Apr-22	4/30/2022	4/30/2022	\$ 148.00	Election expense	9120	1
Special District Management Service	Apr-22	4/30/2022	4/30/2022	\$ 987.20	District Management	9100	1
Special District Management Service	Apr-22	4/30/2022	4/30/2022	\$ 40.85	Miscellaneous	9450	1
Weathercraft Company of Colorado	8495	4/25/2022	5/25/2022	\$ 665.83	Parking Garage	7510	2
				\$ 7,622.98			

<u>Check Issue Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>
05/19/2022	90105	McCormick, Douglas	92.35
05/19/2022	90106	Turtle, George	92.35
05/19/2022	90107	Patrick, Gregory	92.35
05/19/2022	90108	Tash, Charles	92.35
05/19/2022	90109	Russell, Kael T.	92.35
Grand Totals:			
	<u>5</u>		<u>461.75</u>

MidCities Metropolitan District No. 2  
May-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 6,709.65		\$ 913.33	\$ 7,622.98
Payroll	461.75	-		\$ 461.75
		-		
<b>Total Disbursements from Checking Acct</b>	<b>\$7,171.40</b>	<b>\$0.00</b>	<b>\$913.33</b>	<b>\$8,084.73</b>

MidCities Metropolitan District No. 2  
Financial Statements

March 31, 2022

ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
MidCities Metropolitan District No. 2

Management is responsible for the accompanying financial statements of each major fund of MidCities Metropolitan District No. 2, as of and for the period ended March 31, 2022, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the three months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement of Net Position, Statement of Activities, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to MidCities Metropolitan District No. 2 because we performed certain accounting services that impaired our independence.

*Simmons & Wheeler P.C.*

May 5, 2022  
Englewood, Colorado

**MidCities Metropolitan District No. 2**  
**Balance Sheet - Governmental Funds and Account Groups**  
**March 31, 2022**

**See Accountant's Compilation Report**

	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Account</u> <u>Groups</u>	<u>Total</u> <u>All Funds</u>
<b>Assets</b>					
<b>Current assets</b>					
Checking	\$ 11,672	\$ -	\$ -	\$ -	\$ 11,672
Colotrust	1,536,174	182	-	-	1,536,356
UMB	-	-	8,599,448	-	8,599,448
Taxes due from County	18,771	-	100,868	-	119,639
Sales Taxes Receivable	-	-	388,567	-	388,567
Account Receivable -Other	2,211	-	-	-	2,211
Due from other funds	4,347	649	(4,996)	-	-
	<u>1,573,175</u>	<u>831</u>	<u>9,083,887</u>	<u>-</u>	<u>10,657,893</u>
<b>Other assets</b>					
Fixed assets	-	-	-	10,213,162	10,213,162
Amount available in debt service fund	-	-	-	9,083,887	9,083,887
Amount to be provided for retirement of debt	-	-	-	46,628,113	46,628,113
	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,925,162</u>	<u>65,925,162</u>
	<u>\$ 1,573,175</u>	<u>\$ 831</u>	<u>\$ 9,083,887</u>	<u>\$ 65,925,162</u>	<u>\$ 76,583,055</u>
<b>Liabilities and Equity</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 8,931	\$ 831	\$ -	\$ -	\$ 9,762
Payroll taxes payable	326	-	-	-	326
	<u>9,257</u>	<u>831</u>	<u>-</u>	<u>-</u>	<u>10,088</u>
<b>Long Term liabilities</b>					
General Obligation Bonds - 2016A	-	-	-	46,125,000	46,125,000
General Obligation Bonds - 2016B	-	-	-	9,587,000	9,587,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,712,000</u>	<u>55,722,088</u>
<b>Total liabilities</b>	<u>9,257</u>	<u>831</u>	<u>-</u>	<u>55,712,000</u>	<u>55,722,088</u>
<b>Fund Equity</b>					
Investment in fixed assets	-	-	-	10,213,162	10,213,162
Fund balance (deficit)	1,563,918	-	9,083,887	-	10,647,805
	<u>1,563,918</u>	<u>-</u>	<u>9,083,887</u>	<u>10,213,162</u>	<u>20,860,967</u>
	<u>\$ 1,573,175</u>	<u>\$ 831</u>	<u>\$ 9,083,887</u>	<u>\$ 65,925,162</u>	<u>\$ 76,583,055</u>



**MidCities Metropolitan District No. 2**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Governmental Funds**  
**For the Three Months Ended March 31, 2022**  
**General Fund**  
**See Accountant's Compilation Report**

	Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Revenues</b>			
Property taxes	\$ 144,103	\$ 45,928	\$ (98,175)
Specific ownership taxes	139,923	33,105	(106,818)
PILOT revenue	120,000	81,381	(38,619)
Interest Income	2,000	534	(1,466)
Miscellaneous Income	1,000	-	(1,000)
	<u>407,026</u>	<u>160,948</u>	<u>(246,078)</u>
<b>Expenditures</b>			
Accounting	27,000	4,904	22,096
District Management	46,000	4,840	41,160
Audit	5,300	-	5,300
Director's Fees	3,600	500	3,100
Election Expense	10,000	446	9,554
Insurance/SDA	30,000	26,348	3,652
Legal	50,000	4,154	45,846
Engineering	10,000	-	10,000
Miscellaneous Expense	3,000	95	2,905
Payroll Taxes	300	38	262
Treasurer's fees	2,160	689	1,471
Property Mgt/FOA	100,000	19,815	80,185
Repairs and Maintenance	50,000	-	50,000
Contingency	703,691	-	703,691
Emergency reserve	10,121	-	10,121
Transfer to Capital Projects Fund	564,000	2,163	561,837
	<u>1,615,172</u>	<u>63,992</u>	<u>1,551,180</u>
Excess (deficiency) of revenues over expenditures	(1,208,146)	96,956	1,305,102
Fund balance beginning	<u>1,208,146</u>	<u>1,466,962</u>	<u>258,816</u>
Fund balance ending	<u>\$ -</u>	<u>\$ 1,563,918</u>	<u>\$ 1,563,918</u>

**MidCities Metropolitan District No. 2**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Governmental Funds**  
**For the Three Months Ended March 31, 2022**  
**Capital Projects Fund**  
**See Accountant's Compilation Report**

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Interest Income	\$ 1,000	\$ -	\$ (1,000)
Transfer from General Fund	<u>564,000</u>	<u>2,163</u>	<u>(561,837)</u>
	<u>565,000</u>	<u>2,163</u>	<u>(562,837)</u>
<b>Expenditures</b>			
Trails	315,000	-	315,000
Engineering	-	165	(165)
Parking Garage Structure	-	1,998	(1,998)
Retaining Wall - 505 Zang Street	200,000	-	200,000
Miscellaneous Improvements	<u>50,000</u>	<u>-</u>	<u>50,000</u>
	<u>565,000</u>	<u>2,163</u>	<u>562,837</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balance beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MidCities Metropolitan District No. 2**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Governmental Funds**  
**For the Three Months Ended March 31, 2022**  
**Debt Service Fund**  
**See Accountant's Compilation Report**

	<u>Annual</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>Revenues</b>			
Property Taxes	\$ 1,868,572	\$ 595,542	\$ (1,273,030)
Property Taxes - Greystar	335,349	163,942	(171,407)
Property Taxes - Pathfinder Exclusion	158,604	77,430	(81,174)
Property Taxes - Filing 15	94,581	47,259	(47,322)
Property Taxes - CPIII Exclusion	176,947	-	(176,947)
Bond Proceeds	55,000,000	-	(55,000,000)
Sales Tax Revenue	2,200,000	602,330	(1,597,670)
Interest Income	3,010	2,268	(742)
	<u>59,837,063</u>	<u>1,488,771</u>	<u>(58,348,292)</u>
<b>Expenditures</b>			
2016A Bond and SWAP Interest	405,000	193,950	211,050
2016A Bond Principal	46,125,000	-	46,125,000
2016B Bond Interest	200,000	-	200,000
2016B Bond Principal	10,000,000	-	10,000,000
2022 Bond Interest	2,750,000	-	2,750,000
Bond Issuance Costs	1,650,000	-	1,650,000
Trustee/Paying Agent Fees	6,000	2,625	3,375
Miscellaneous	5,000	-	5,000
Treasurer's Fees	39,496	13,263	26,233
	<u>61,180,496</u>	<u>209,838</u>	<u>60,970,658</u>
Excess (deficiency) of revenues over expenditures	(1,343,433)	1,278,933	2,622,366
Fund balance beginning	<u>7,773,860</u>	<u>7,804,954</u>	<u>31,094</u>
Fund balance (deficit) ending	<u>\$ 6,430,427</u>	<u>\$ 9,083,887</u>	<u>\$ 2,653,460</u>

DRAFT 5/24/2022

**MIDCITIES METROPOLITAN DISTRICT NO. 2**

Financial Statements

Year Ended December 31, 2021

with

Independent Auditor's Report

# DRAFT 5/24/2022

## CONTENTS

	<u>Page</u>
<b><u>Independent Auditor's Report</u></b>	I
<b><u>Basic Financial Statements</u></b>	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
<b><u>Supplemental Information</u></b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	23
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Capital Projects Fund	24
<b><u>Continuing Disclosure Annual Financial Information – Unaudited</u></b>	
Continuing Disclosure Certificate, Exhibit B History of Sales Taxes Remitted by the City History of Use Taxes Remitted by the City Generators of Sales Taxes within the District	25
Continuing Disclosure Certificate, Exhibit B History of Assessed Valuations for the District and Excluded Property History of Mill Levies for the District and Excluded Property Property Tax Collections for the District and the Excluded Property	26
Continuing Disclosure Certificate, Exhibit B Ten Largest Owners of Taxable Property of the District	27
Continuing Disclosure Certificate, Exhibit B – Other Schedules	28

# DRAFT 5/24/2022

## MIDCITIES METROPOLITAN DISTRICT NO. 2

### BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2021

	General	Debt Service	Capital Projects	Total	Adjustments	Statement of Net Position
<b>ASSETS</b>						
Cash and investments	\$ 1,461,620	\$ -	\$ -	\$ 1,461,620	\$ -	\$ 1,461,620
Cash and investments - restricted	10,121	7,487,048	1,331	7,498,500	-	7,498,500
Accounts receivable:						
County Treasurer	9,929	-	-	9,929	-	9,929
Sales/use taxes	-	322,906	-	322,906	-	322,906
Property taxes	144,103	2,634,053	-	2,778,156	-	2,778,156
Prepaid expenses	450	-	-	450	-	450
Capital assets, net of accumulated depreciation	-	-	-	-	7,073,246	7,073,246
Capital assets, not being depreciated	-	-	-	-	4,607,300	4,607,300
<b>Total Assets</b>	<b>\$ 1,626,223</b>	<b>\$ 10,444,007</b>	<b>\$ 1,331</b>	<b>\$ 12,071,561</b>	<b>7,073,246</b>	<b>23,752,107</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 15,158	\$ 5,000	\$ 1,331	\$ 21,489	-	21,489
Accrued interest on bonds	-	-	-	-	97,763	97,763
Long-term liabilities:						
Due within one year	-	-	-	-	46,125,000	46,125,000
Due in more than one year	-	-	-	-	9,587,000	9,587,000
<b>Total Liabilities</b>	<b>15,158</b>	<b>5,000</b>	<b>1,331</b>	<b>21,489</b>	<b>55,809,763</b>	<b>55,831,252</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred property taxes	144,103	2,634,053	-	2,778,156	-	2,778,156
<b>Total Deferred Inflows of Resources</b>	<b>144,103</b>	<b>2,634,053</b>	<b>-</b>	<b>2,778,156</b>	<b>-</b>	<b>2,778,156</b>
<b>FUND BALANCES/NET POSITION</b>						
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Prepays	450	-	-	450	(450)	-
<b>Restricted:</b>						
Emergencies	10,121	-	-	10,121	(10,121)	-
Debt service	-	7,804,954	-	7,804,954	(7,804,954)	-
Unassigned	1,456,391	-	-	1,456,391	(1,456,391)	-
<b>Total Fund Balances</b>	<b>1,466,962</b>	<b>7,804,954</b>	<b>-</b>	<b>9,271,916</b>	<b>(9,271,916)</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,626,223</b>	<b>\$ 10,444,007</b>	<b>\$ 1,331</b>	<b>\$ 12,071,561</b>		
<b>Net Position:</b>						
<b>Restricted for:</b>						
Emergencies					10,121	10,121
Debt service					7,707,191	7,707,191
Capital projects					-	-
Unrestricted					(42,574,613)	(42,574,613)
<b>Total Net Position</b>					<b>\$ (34,857,301)</b>	<b>\$ (34,857,301)</b>

The notes to the financial statements are an integral part of these statements.

# DRAFT 5/24/2022

## MIDCITIES METROPOLITAN DISTRICT NO. 2

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS For the Year Ended December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>						
General expenses:						
Accounting	\$ 17,752	\$ -	\$ -	\$ 17,752	\$ -	\$ 17,752
Audit	4,437	-	-	4,437	-	4,437
Property management	70,577	-	-	70,577	-	70,577
District management	17,965	-	-	17,965	-	17,965
Repair and maintenance	2,450	-	-	2,450	-	2,450
Directors fees	2,800	-	-	2,800	-	2,800
Payroll taxes	214	-	-	214	-	214
Insurance	26,819	-	-	26,819	-	26,819
Miscellaneous expense	1,720	-	-	1,720	-	1,720
Legal	46,360	-	-	46,360	-	46,360
Treasurer's fees	2,097	36,446	-	38,543	-	38,543
Capital outlay	-	-	1,775,092	1,775,092	(1,775,092)	-
Depreciation expense	-	-	-	-	307,709	307,709
Debt service:						
Bond interest expense	-	3,305,088	-	3,305,088	(760,094)	2,544,994
Investment advisor	-	5,000	-	5,000	-	5,000
Paying agent fees	-	11,385	-	11,385	-	11,385
<b>Total Expenditures</b>	<b>193,191</b>	<b>3,357,919</b>	<b>1,775,092</b>	<b>5,326,202</b>	<b>(2,227,477)</b>	<b>3,098,725</b>
<b>GENERAL REVENUES</b>						
Property taxes	139,278	2,423,398	-	2,562,676	-	2,562,676
Specific ownership taxes	144,302	-	-	144,302	-	144,302
PILOT revenue	120,756	-	-	120,756	-	120,756
Sales tax revenue	-	2,211,048	-	2,211,048	-	2,211,048
Interest income	1,216	8,579	349	10,144	-	10,144
Miscellaneous income	-	-	100,000	100,000	-	100,000
<b>Total General Revenues</b>	<b>405,552</b>	<b>4,643,025</b>	<b>100,349</b>	<b>5,148,926</b>	<b>-</b>	<b>5,148,926</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>						
	212,361	1,285,106	(1,674,743)	(177,276)	2,227,477	2,050,201
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer from other funds	(483,372)	-	483,372	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(483,372)</b>	<b>-</b>	<b>483,372</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>						
	(271,011)	1,285,106	(1,191,371)	(177,276)	177,276	
<b>CHANGE IN NET POSITION</b>						
					2,050,201	2,050,201
<b>FUND BALANCES/NET POSITION:</b>						
BEGINNING OF YEAR	1,737,973	6,519,848	1,191,371	9,449,192	(46,356,694)	(36,907,502)
END OF YEAR	\$ 1,466,962	\$ 7,804,954	\$ -	\$ 9,271,916	\$ (44,129,217)	\$ (34,857,301)

The notes to the financial statements are an integral part of these statements.

# DRAFT 5/24/2022

## MIDCITIES METROPOLITAN DISTRICT NO. 2

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2021

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 139,350	\$ 139,278	\$ (72)
Specific ownership taxes	119,979	144,302	24,323
PILOT revenue	120,000	120,756	756
Interest income	20,000	1,216	(18,784)
Miscellaneous income	1,000	-	(1,000)
	<u>400,329</u>	<u>405,552</u>	<u>5,223</u>
<b>EXPENDITURES</b>			
Accounting	26,000	17,752	8,248
Audit	5,000	4,437	563
Property management	100,000	70,577	29,423
District management	45,000	17,965	27,035
Repair and maintenance	50,000	2,450	47,550
Directors fees	3,600	2,800	800
Payroll taxes	300	214	86
Insurance	28,000	26,819	1,181
Miscellaneous expense	2,000	1,720	280
Legal	15,000	46,360	(31,360)
Engineering	10,000	-	10,000
Treasurer's fees	2,090	2,097	(7)
Contingency	1,674,471	-	1,674,471
Emergency reserve	8,610	-	8,610
	<u>1,970,071</u>	<u>193,191</u>	<u>1,776,880</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	(1,569,742)	212,361	1,782,103
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from other funds	-	(483,372)	(483,372)
	<u>-</u>	<u>(483,372)</u>	<u>(483,372)</u>
<b>NET CHANGE IN FUND BALANCE</b>			
	(1,569,742)	(271,011)	1,298,731
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	<u>1,569,742</u>	<u>1,737,973</u>	<u>168,231</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 1,466,962</u>	<u>\$ 1,466,962</u>

The notes to the financial statements are an integral part of these statements.



## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

Note 1: Summary of Significant Accounting Policies

The accounting policies of MidCities Metropolitan District No. 2, (“District”), located in the City and County of Broomfield, Colorado, (“County”) conform to accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on November 6, 1998, as a quasi-municipal organization established under the State of Colorado Special District Act to pay for various services and facilities which were previously provided by MidCities Metropolitan District No. 1 (“District No. 1”). The two districts worked together to serve the development and to provide the necessary public improvements and services as required by the Development Agreement. District No. 1 is referred to in both Service Plans as the “Service District” and the District is referred to as the “Tax District”. The Districts were established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. The District is required to generate property tax revenue sufficient to pay the costs of operations and some of the debt service for public improvements. The District is governed by an elected Board of Directors.

During 2017 MidCities Metropolitan District No. 1 was dissolved and all functions and obligations were assigned to the District.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization’s elected governing body as the basic criterion for including a possible component governmental organization in a primary government’s legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization’s governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

The District has no employees and all operations and administrative functions are contracted.

## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

### Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

### Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end.

During November 2021 the District amended its appropriations in the Capital Project Fund from \$1,140,000 to \$1,850,000 primarily due to increased capital expenditures.

### Assets, Liabilities and Net Position:

#### Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2021, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

#### Deposits and Investments

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

### Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District only has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

### Deferred costs on bond refunding

Deferred costs on bond refunding from the Series 2016A Bonds were being amortized over the term of the bonds using the straight-line method and were fully amortized as of December 1, 2021.

### Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure including trails, walls, streets, storm drainage and parking structures:	40 years
Monuments:	10 years

### Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Property owners within the boundaries of the District have been assessed \$2,778,156 for 2021. Since these taxes are not normally available to the District in 2021, they are classified as deferred income until 2022.

### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

### Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

### Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$450 represents prepaid insurance expenditures.

### Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$10,121 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$7,804,954 is restricted for the payment of the debt service costs associated with the 2016 Bonds (see Note 4).

### Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

### Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

### Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

### Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report up to three categories of net position, as follows:

*Net investment in capital assets* – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

*Restricted net position* – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

*Unrestricted net position* – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

### Note 2: Cash and Investments

As of December 31, 2021, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 1,461,620
Cash and investments – Restricted	<u>7,498,500</u>
Total	<u>\$ 8,960,120</u>

## MIDCITIES METROPOLITAN DISTRICT NO. 2

### Notes to Financial Statements December 31, 2021

Cash and investments as of December 31, 2021, consist of the following:

Deposits with financial institutions	\$ 86,811
Investments - COLOTRUST	1,378,170
Investments - CSAFE	<u>7,495,139</u>
	<u>\$ 8,960,120</u>

#### Deposits:

##### Custodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District adopted a policy to comply with state statutes for deposits. None of the District’s deposits were exposed to custodial credit risk.

#### Investments:

##### Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District’s investments are not required to be categorized within the fair value hierarchy. The COLOTRUST investment’s value is calculated using the net asset value method (NAV) per share while the CSAFE investment’s value is calculated using the amortized cost method.

##### Credit Risk

The District’s investment policy requires that the District follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

##### Custodial and Concentration of Credit Risk

None of the District’s investments are subject to custodial or concentration of credit risk.



## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

### Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

As of December 31, 2021, the District had the following investments:

### COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust (“COLOTRUST”) is rated AAAM by Standard & Poor’s with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians’ internal records identify the investments owned by COLOTRUST. At December 31, 2021, the District had \$1,378,170 invested in COLOTRUST.

### CSAFE

The local government investment pool Colorado Surplus Asset Fund Trust (“CSAFE”), is rated AAAM by Standard and Poor’s with a weighted average maturity of under 60 days. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. CSAFE is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE’s portfolio pursuant to custodian agreements. The custodian acts as safekeeping agent for CSAFE’s investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodians’ internal records identify the investments owned by CSAFE. At December 31, 2021, the District had \$7,495,139 invested in CSAFE.

# DRAFT 5/24/2022

## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2021, is as follows:

	Balance 1/1/2021	Additions	Retirements	Balance 12/31/2021
<u>Capital assets, being depreciated:</u>				
Regional trails	\$ 366,424	\$ -	\$ -	\$ 366,424
Retaining walls	2,861,398	-	-	2,861,398
Monuments	763,133	-	-	763,133
Streets	2,093,701	-	-	2,093,701
Parking lot	1,123,265	-	-	1,123,265
Storm drainage	1,442,747	-	-	1,442,747
Parking garage	4,420,818	-	-	4,420,818
Total infrastructure	<u>13,071,486</u>	<u>-</u>	<u>-</u>	<u>13,071,486</u>
Accumulated depreciation	<u>(5,690,531)</u>	<u>(307,709)</u>	<u>-</u>	<u>(5,998,240)</u>
Total capital assets being depreciated:	<u>7,380,955</u>	<u>(307,709)</u>	<u>-</u>	<u>7,073,246</u>
<u>Capital assets, not being depreciated:</u>				
Construction in progress	422,620	1,775,092	-	2,197,712
Land and easements	<u>2,409,588</u>	<u>-</u>	<u>-</u>	<u>2,409,588</u>
Total capital assets not being depreciated:	<u>2,832,208</u>	<u>1,775,092</u>	<u>-</u>	<u>4,607,300</u>
Total capital assets	<u>\$ 10,213,163</u>	<u>\$ 1,467,383</u>	<u>\$ -</u>	<u>\$ 11,680,546</u>

In 2007, District No. 1 conveyed some of its capital assets to the City and County of Broomfield, Colorado. During 2017, District No. 1 conveyed to the District its remaining assets, some of which had already been partially depreciated by District No. 1 and current depreciation on these assets were recorded by the District starting in 2018. The capital assets will be maintained by the District with the exception of any construction in progress that is anticipated to be conveyed to other governmental entities. The parking garage will be conveyed to a third party upon completion of repairs as per the Settlement Agreement (see Note 5).

## MIDCITIES METROPOLITAN DISTRICT NO. 2

### Notes to Financial Statements December 31, 2021

Note 4: Long-Term Debt

The following is an analysis of changes in long-term obligations for the year ended December 31, 2021:

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021	Current Portion
<u>Bonds from direct borrowing and</u>					
<u>direct placements:</u>					
Special Revenue Refunding and					
Improvement Bonds, Series 2016A	\$ 46,125,000	\$ -	\$ -	\$ 46,125,000	\$46,125,000
Subordinate Special Revenue Refunding					
Bonds, Series 2016B	9,587,000	-	-	9,587,000	-
Total Long-term debt	<u>\$ 55,712,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,712,000</u>	<u>\$46,125,000</u>

A description of the long-term obligations as of December 31, 2021, is as follows:

**General Obligation Refunding and Improvement Bonds, Series 2006**

On July 12, 2006 the District issued \$24,400,000 of General Obligation Refunding and Improvements Bonds Series 2006 (“Bonds”). The purpose of the Bonds was to 1) refund all of the District’s outstanding general obligation debt; 2) finance the acquisition of land and the construction and acquisition of public improvements; 3) fund capitalized interest; 4) fund the Reserve Fund and 5) pay for the costs of issuing the bonds. The interest rate varied from 4.000% to 5.125% consisting of serial bonds due annually commencing on December 1, 2010. Interest was paid semi-annually on June 1<sup>st</sup> and December 1<sup>st</sup> commencing on December 1, 2006. The Bonds were secured by pledged revenues derived by the required mill levy on the property. Additionally, the Bonds and interest were insured as to repayment by Radian Asset Assurance, Inc. (“Radian”). During March 2016, Standard & Poor’s upgraded the rating of Radian to “BBB-”.

The Series 2006 Bonds were defeased on October 3, 2016, in conjunction with the issuance of the Series 2016A and Series 2016B Bonds.

## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

### **Special Revenue Refunding and Improvement Bonds, Series 2016A**

On October 3, 2016, the District issued \$51,975,000 of Special Revenue Refunding and Improvement Bonds, Series 2016A, (“Series 2016A Bonds”) dated October 3, 2016, for the purpose (a) paying Project Costs, (b) paying the costs of refunding all of the Series 2006 Bonds of District No. 2 and some of the 2004 Bonds of District No. 1, (c) funding the Reserve Fund in the amount of the Reserve Requirement and (d) paying other costs in connection with the issuance of the Series 2016A Bonds. The bonds bear interest at the rate of 1.64% plus 70% of the One Month LIBOR Rate, payable monthly on the first New York Business Day of every month, commencing on November 1, 2016. In order to effectively convert this variable rate to a fixed rate, the District entered into a SWAP agreement to achieve a “synthetic” interest rate of 3.48% (See Note 5). The Series 2016A Bonds mature on December 1, 2021, are subject to a mandatory sinking fund redemption commencing on December 1, 2016, and are subject to early redemption at the option of the District on any date prior to the Maturity Date with a prepayment fee. The 2016A Bonds are secured by Pledged Revenues including (i) the Required Mill Levy, (ii) all amounts received from the City pursuant to the City Agreement (sales and use taxes), (iii) all Counterparty Net Regularly Scheduled Swap payments received by the District from the Exchange Agreement Provider under the 2016 Exchange Agreement (see Note 5), (iv) any Termination payments received the by District, and (v) any other legally available monies which the District determines, in its absolute discretion, to credit to the Bond Fund.

### **Current refunding of debt**

The 2016A Bonds were issued to provide resources to purchase securities to be placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the Series 2006 Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$1,069,607. This amount was recorded as a deferred outflow and amortized over remaining life of the new debt issued. The amount was fully amortized as of December 31, 2021. The refunding resulted in an economic gain of \$922,271 due to the average interest rate of the Series 2016 Bonds being lower than the refunded bonds.

## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

Events of Default as defined in the Series 2016A Bond Indenture are 1) the failure of the District to impose the Required Mill levy, or to apply the Pledged Revenue as required by the Indenture, 2) the failure of the District to pay the principal of or redemption premium or Prepayment Fee, if applicable, when due, 3) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof, provided, however, that any draw on the Surplus Fund or the Reserve Fund shall not constitute an Event of Default, 4) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds, 5) determination, decision, or decree by the IRS or other court which results in interest payable on the Series 2016A Bonds becoming includable in the gross income of an owner, unless appealed or contested in good faith by the District, and 6) receipt by the Trustee of written notice from the purchaser stating that an "Event of Default" has occurred and is continuing under the Continuing Covenant Agreement. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2016A Bonds is not an available remedy for an Event of Default.

### **First Amendment to Indenture of Trust**

In November 2021, the District entered into the First Amendment to Indenture of Trust with UMB Bank, N.A. (the "Trustee") which modified the original Indenture of Trust to extend the Maturity Date of the Series 2016 Bonds to March 1, 2022 with interest at 81.15% of the Term Secured Overnight Financing Rate ("SOFR") plus an applicable spread (as defined by the agreement). No principal is contemplated under this agreement until maturity, but interest is payable monthly on the first of each month.

Because of the variable interest rate of the bonds and the uncertainty of the amount of the interest payments, no schedule of debt service requirements for the Series 2016A Bonds is presented.

### **Subordinate Special Revenue Refunding Bonds, Series 2016B**

On October 3, 2016, the District issued \$9,725,000 of Subordinate Special Revenue Refunding Bonds, Series 2016B, ("Series 2016B Bonds") dated October 3, 2016, for the purpose of (a) paying a portion of the costs of refunding District No. 1's Series 2004 Bonds and (b) paying the costs of issuing the bonds. The Series 2016B Bonds bear interest at the rate of 7.75%, payable to the extent of Subordinate Pledged Revenue available annually on each December 15, commencing on December 15, 2016, and mature on December 15, 2046. The Series 2016B Bonds are subject to early redemption at the option of the District and are also subject to mandatory redemption under certain circumstances as set forth in the Trust Indenture.

Because of the cash flow nature of the bonds and the uncertainty of the timing of principal and interest payments, no schedule of debt service requirements for the Series 2016B Bonds is presented.

## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

Events of Default as defined in the Series 2016B Bond Indenture are 1) the failure of the District to impose the Required Mill levy, or to apply the Pledged Revenue as required by the Indenture, 2) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof pursuant to the Indenture, and 3) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2016B Bonds is not an available remedy for an Event of Default nor shall the District be subject to punitive or consequential damages.

The District had no unused lines of credit as of December 31, 2021.

Note 5: Other Agreements

**Interest Rate Exchange Agreement**

On October 3, 2016, the District entered into an Interest Rate Exchange Agreement (“Swap Agreement”) with U.S. Bank N.A. Under the Swap Agreement, the District pays a fixed interest rate of 1.84% plus an incremental amount to equal 3.48%, for the period from October 3, 2016, through December 1, 2046 plus a swap advisory fee. The effective date of the Swap Agreement was October 3, 2016, and the termination date is December 1, 2046. The purpose of the Swap Agreement is for the District to create a synthetic fixed interest rate on its variable rate loan of 3.48%. The original notional amount of the Swap Agreement was \$51,975,000. The Swap Agreement was terminated at par on December 1, 2021, as of the original maturity date of the related Series 2016A Bonds (see Note 4)

**Settlement Agreement**

On August 13, 2021, the District and Aequus Partners, LLC (“Aequus”) entered into a Settlement Agreement which set forth the conditions and obligations related to the Parking Garage owned by the District. Pursuant to this agreement, the District shall pay Aequus \$1,667,042 by depositing such funds into an escrow account as per conditions set forth in the Improvements Delivery Agreement dated August 4, 2021 (“Delivery Agreement”). The District also shall convey fee title to the Parking Garage by special warranty deed. During August 2021, the District deposited the required funds into the escrow account and the lawsuit was dismissed.

## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

Note 6: Debt Authorization:

At elections held November 3, 1998; November 2, 1999, November 6, 2000 and November 2, 2004, a majority of the qualified electors of the District who voted in the elections authorized the issuance of general obligation indebtedness in an amount not to exceed \$119,230,000 for providing public improvements and \$128,080,000 for refunding of previously issued indebtedness. After the issuance of the 2016 Bonds, the District has approximately \$98,576,664 in public infrastructure authorization remaining. The District has budgeted to refinance the existing debt during 2022.

Note 7: Related Party Transactions:

Some of the members of the Board of Directors were formerly employed by the developer of the development or were formerly employed by entities which conduct business with such developer or are former development partners or officers of such developer. Such directors, therefore, may have potential conflicts of interest with respect to matters which come before the Board of Directors with respect to any prior agreements with such developer.

Note 8: Commitments:

*Sales and Use Tax Reimbursement Agreement*

On November 30, 2004, the District entered into a Sales and Use Tax Reimbursement Agreement with District No. 1 and the City and County of Broomfield, Colorado (“City”). City payments under the agreement are pledged to the repayment of the Series 2004A and 2004B Bonds of District No. 1. The City payment consists of 65% of the 3.5% Sales Tax that is collected within the boundaries of the District and 50% of the 3.5% Use Tax levied on commercial buildings and construction materials. The City agrees to deposit the revenues into a Special Fund of the City. The termination date of this agreement is the earlier of (i) the date which all of the District No. 1 bonds, any associated liabilities, and any reimbursements due from the District are no longer outstanding, or (ii) July 9, 2032. On October 3, 2016, the District approved the Amended and Restated Sales and Use Tax Reimbursement Agreement which replaced this agreement.

## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

### Amended and Restated Sales and Use Tax Reimbursement Agreement

On October 3, 2016, the District, District No. 1 and the City entered into an Amended and Restated Sales and Use Tax Reimbursement Agreement. City payments under the agreement are pledged to the repayment of the Series 2016A Bonds and Series 2016B Bonds issued by the District, as well as any District bonds subsequently issued to refund the 2016 Bonds. The City payment consists of 65% of the 3.5% Sales Tax that is collected within the boundaries of the Districts and 50% of the 3.5% Use Tax levied on commercial buildings and construction materials. The City agrees to deposit the revenues into a Special Fund maintained the City. The Original Reimbursement Obligation to the City has been extended from July 10, 2031, through July 9, 2041, provided that the District imposes a debt service mill levy to repay the City under this agreement. The termination of this agreement is the later of (i) the date on which all of the District Bonds are no longer outstanding under any Indenture and any amounts owing to the issuer of any letter of credit, liquidity, facility, standby bond purchase agreement, insurance policy or other credit or liquidity instrument issued in connection with any District Bonds have been paid and (ii) the Extended Reimbursement Obligation has been repaid to the City.

### Amended and Restated Master Intergovernmental Agreement (“Master IGA”)

Dated November 30, 2004, this Master IGA establishes the obligations of MidCities Metropolitan Districts No. 1 and No. 2. District No. 1 shall acquire, construct, complete, manage, operate, maintain and repair any public improvements owned by District No.1 and shall generally administer the operations and business of the Districts, including, without limitation, the payment of all costs associated therewith. The District agrees to budget and appropriate that amount from legally available funds and impose a mill levy no greater than 3.000 mills to fund such amounts. The District shall impose a mill levy sufficient to pay all current or past due interest and principal amounts due on the District’s Bonds. All specific ownership taxes imposed by a mill levy in the District shall be transferred to District No. 1 to pay the administrative and operating expenses of the Districts. Additionally, the District shall impose a mill levy without limitation as to the rate to fulfill the District’s debt service obligations and District No. 1’s obligations to maintain the reserve requirements on the Series 2004A and Series 2004B Bonds, if the proceeds from the Sales and Use taxes are not sufficient for such purposes. As part of District No. 1’s LOC extension related to its Series 2004A and Series 2004B Bonds, the District was required to certify an additional debt service mill levy of 9 mills. These funds were budgeted and transferred to District No. 1.

On September 26, 2016, this agreement was modified by the Second Amended and Restated Master Intergovernmental Agreement which further detailed the methods and procedures for the cooperation between the Districts in conjunction with the refunding all the Districts bonds.



## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

### Intergovernmental Agreement with the City and County of Broomfield

MidCities Metropolitan Districts Nos. 1 & 2 and the City and County of Broomfield entered into an Intergovernmental Agreement which outlines the Districts' obligations for the financing and construction of the public infrastructure within the boundaries of the Districts. It was amended on December 12, 2000 to include the issuance of additional debt of approximately \$15,000,000 for the District. On October 19, 2001, it was again amended to authorize the issuance of additional bonds by the Districts in 2001 and the redemption of the District No. 1's 1998 bonds. On June 27, 2006 it was amended again to include the issuance of the District's bonds for \$24,400,000 and the redemption of the Series 2000 and Series 2001A bonds. On October 3, 2016, it was amended again to authorize the consolidation of all outstanding indebtedness of the Districts by refunding at a lower interest rate the District's outstanding Series 2006 Bonds and the District No. 1's Series 2004A and Series 2004B Bonds, causing the termination of the District's general obligation regarding the guarantee the payment of all Series 2004 Bonds, improving, completing, repairing and replacing the Districts' public infrastructure and paying the costs of the issuance of all Series 2016 Bonds. This amendment also limited the total debt of the Districts to \$74,000,000 unless approved by the City, and in conjunction with the issuance on the 2016 Bonds, the City agreed to extend the term of the Tax Reimbursement Agreement for an additional 10 years subject to additional terms as per the Amended and Restated Tax Reimbursement Agreement with the City.

### Note 9: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights ("TABOR"), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

Note 10: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (“Pool”) which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials’ liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 11: Interfund and Operating Transfers

The transfer of \$483,372 from the General Fund to the Capital Projects Fund was transferred for the purpose of funding capital expenditures.

Note 12: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The *Governmental Funds Balance Sheet/Statement of Net Position* includes an adjustments column. The adjustments have the following elements:

- 1) unamortized debt insurance and deferred loss on refunding are not financial resources and, therefore are not reported in the funds;
- 2) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 3) long-term liabilities such as bonds payable and accrued bond interest payable are not due and payable in the current period and, therefore, are not in the funds.

## MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2021

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities; and,
- 3) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

Note 13: Subsequent Event

Subsequent to year end, the District negotiated with UMB Bank as Trustee to further extend the maturity date of the Series 2016A bonds to April 30, 2022. On April 27, 2022, the District issued \$50,185,000 in Special Revenue Refunding Bonds, Series 2022 (“Series 2022 Bonds”). The proceeds of the Series 2022 Bonds were used in conjunction with funds held by the District to fully refund the Series 2016A Bonds and Series 2016B Bonds, purchase a Bond Insurance Policy, purchase a 2022 Reserve Policy and pay the costs of issuing the Series 2022 Bonds. The Series 2022 Bonds bear interest at a rate of 5.000% and mature on December 1, 2046. The Series 2022 Bonds constitute special revenue obligations of the District payable solely from and to the extent of the Pledged Revenue as defined in the Trust Indenture.

DRAFT 5/24/2022

**SUPPLEMENTAL INFORMATION**

# DRAFT 5/24/2022

## MIDCITIES METROPOLITAN DISTRICT NO. 2

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2021

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 2,424,321	\$ 2,423,398	\$ (923)
Bond Proceeds	55,000,000	-	(55,000,000)
Sales tax revenue	2,200,000	2,211,048	11,048
Interest income	<u>45,657</u>	<u>8,579</u>	<u>(37,078)</u>
Total Revenues	<u>59,669,978</u>	<u>4,643,025</u>	<u>(55,026,953)</u>
EXPENDITURES			
Bond principal	56,125,000	-	56,125,000
Bond interest expense	2,527,444	3,305,088	(777,644)
Investment advisor	5,000	5,000	-
Paying agent fees	10,500	11,385	(885)
Bond Issuance costs	1,650,000	-	1,650,000
Miscellaneous expenses	5,000	-	5,000
Treasurer's fees	<u>36,300</u>	<u>36,446</u>	<u>(146)</u>
Total Expenditures	<u>60,359,244</u>	<u>3,357,919</u>	<u>57,001,325</u>
NET CHANGE IN FUND BALANCE	(689,266)	1,285,106	1,974,372
FUND BALANCE:			
BEGINNING OF YEAR	<u>5,605,210</u>	<u>6,519,848</u>	<u>914,638</u>
END OF YEAR	<u>\$ 4,915,944</u>	<u>\$ 7,804,954</u>	<u>\$ 2,889,010</u>

The notes to the financial statements are an integral part of these statements.

# DRAFT 5/24/2022

## MIDCITIES METROPOLITAN DISTRICT NO. 2

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

For the Year Ended December 31, 2021

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES				
Interest income	\$ 15,000	\$ 8,629	\$ 349	\$ (8,280)
Miscellaneous income	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Total Revenues	<u>15,000</u>	<u>8,629</u>	<u>100,349</u>	<u>91,720</u>
EXPENDITURES				
Capital outlay	<u>1,140,000</u>	<u>1,850,000</u>	<u>1,775,092</u>	<u>74,908</u>
Total Expenditures	<u>1,140,000</u>	<u>1,850,000</u>	<u>1,775,092</u>	<u>74,908</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,125,000)	(1,841,371)	(1,674,743)	166,628
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	<u>-</u>	<u>650,000</u>	<u>483,372</u>	<u>(166,628)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>650,000</u>	<u>483,372</u>	<u>(166,628)</u>
NET CHANGE IN FUND BALANCE	(1,125,000)	(1,191,371)	(1,191,371)	-
FUND BALANCE:				
BEGINNING OF YEAR	<u>1,125,000</u>	<u>1,191,371</u>	<u>1,191,371</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of these statements.

DRAFT 5/24/2022

**CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION – UNAUDITED**

**MidCities Metropolitan District No. 2  
Continuing Disclosures Certificate, Exhibit B  
December 31, 2021**

History of Sales Taxes Remitted by the City

Fiscal Year	Pledged Sales Tax Collections	Percent Change
2013	\$1,799,257	--
2014	\$1,865,037	3.66%
2015	\$1,934,148	3.71%
2016	\$2,046,275	5.80%
2017	\$2,202,168	7.62%
2018	\$2,384,831	8.29%
2019	\$2,623,129	9.99%
2020	\$2,107,638	-19.65%
2021	\$2,181,512	3.51%

History of Use Taxes Remitted by the City

Fiscal Year	Pledged Use Tax Collections	Percent Change
2013	\$9,437	--
2014	\$13,176	39.62%
2015	\$16,742	27.06%
2016	\$147,632	781.81%
2017	\$58,486	-60.38%
2018	\$14,740	-74.80%
2019	\$14,913	1.17%
2020	\$9,678	-35.10%
2021	\$29,536	205.19%

Generators of Sales Taxes within the District

	2021	2020
1	Retail Store	Retail Store
2	Eating and Drinking	Eating and Drinking
3	Eating and Drinking	Eating and Drinking
4	Retail Store	Retail Store
5	Hotels and Lodging	Hotels and Lodging
6	Hotels and Lodging	Hotels and Lodging
7	Eating and Drinking	Eating and Drinking
8	Eating and Drinking	Eating and Drinking
9	Retail Store	Retail Store
10	Retail Store	Retail Store

\* Source: City & County of Broomfield. The above chart sets forth the estimated and historic top ten Sales Tax Generators in the City and County. Gross sales of generating entities are confidential.



**MidCities Metropolitan District No. 2  
Continuing Disclosures Certificate, Exhibit B  
December 31, 2021**

**History of Assessed Valuations for the District and Excluded Property**

Levy/ Collection Year	Property Within the District	2001 Excluded Property	2007 Excluded Property	2012 Excluded Property	Total
2013/2014	\$36,532,850	\$6,344,210	\$1,235,660	\$1,045,410	\$45,158,130
2014/2015	\$36,119,444	\$6,287,445	\$1,961,780	\$1,271,990	\$45,640,659
2015/2016	\$37,157,455	\$6,938,190	\$2,188,240	\$3,211,040	\$49,494,925
2016/2017	\$36,983,470	\$6,737,490	\$2,320,720	\$3,246,130	\$49,287,810
2017/2018	\$38,707,580	\$7,632,380	\$2,216,980	\$3,931,540	\$52,488,480
2018/2019	\$42,144,398	\$7,615,883	\$2,460,644	\$3,940,938	\$56,161,863
2019/2020	\$45,851,277	\$8,789,436	\$2,467,950	\$4,427,208	\$61,535,871
2020/2021	\$46,449,890	\$8,830,860	\$2,476,440	\$6,595,150	\$64,352,340
2021/2022	\$48,034,047	\$10,861,490	\$2,488,980	\$8,830,290	\$70,214,807

**History of Mill Levies for the District and Excluded Property**

Levy/ Collection Year	District General Fund	District Debt Service	District Total Levy	2001 Excluded Property Debt Service	2007 Excluded Property Debt Service
2013/2014	3.000	38.000	41.000	20.336	38.000
2014/2015	3.063	47.809	50.872	30.435	47.000
2015/2016	3.036	47.000	50.036	31.136	47.000
2016/2017	3.000	40.169	43.169	32.143	39.268
2017/2018	3.000	38.901	41.901	30.875	38.000
2018/2019	3.417	38.901	42.318	30.875	38.000
2019/2020	3.000	38.901	41.901	30.875	38.000
2020/2021	3.000	38.901	41.901	30.875	38.000
2021/2022	3.000	38.901	41.901	30.875	38.000

**Property Tax Collections for the District and the Excluded Property**

Levy/ Collection Year	Taxes Levied	Current Tax Collections	Collection Rate
2012/2013	\$1,648,627	\$1,629,159	98.82%
2013/2014	\$1,713,543	\$1,702,099	99.33%
2014/2015	\$2,180,814	\$2,180,566	99.99%
2015/2016	\$2,329,004	\$2,264,558	97.23%
2016/2017	\$2,031,701	\$2,023,633	99.60%
2017/2018	\$2,091,180	\$1,795,118	85.84%
2018/2019	\$2,261,866	\$2,263,299	100.06%
2019/2020	\$2,454,604	\$2,450,623	99.84%
2020/2021	\$2,563,671	\$2,562,676	99.96%

**MidCities Metropolitan District No. 2**  
**Continuing Disclosures Certificate, Exhibit B**  
**December 31, 2021**

**Ten Largest Owners of Taxable Property of the District**

Taxpayer Name	2021 Final Assessed Valuation	Percentage of Total Assessed Valuation
RLJ II - RH Boulder, LLC	\$ 7,737,200	16.11%
MB Hospitality Ribroom LP	6,148,000	12.80%
Wal-Mart Stores, Inc	4,132,480	8.60%
LT Flatiron LLC	3,799,650	7.91%
Pacific Heritage Inn of Broomfield LLC	3,512,470	7.31%
Denver BF Property LLC	3,133,380	6.52%
Aequus Partners, LLC	1,885,000	3.92%
Windscape of Florida LLC	1,097,360	2.28%
Patrick Tash Education Group Inc	986,940	2.05%
Westpac Realty Fund II LLC	864,470	1.80%
<b>Total</b>	<b>\$ 33,296,950</b>	<b>69.30%</b>

MidCities Metropolitan District No. 2  
Continuing Disclosures Certificate, Exhibit B  
December 31, 2021

**Statement of Revenue, Expenditures and Changes in Fund Balance - (See Audit, Basic Financial Statements, Supplemental Information)**

- General Fund
- Debt Service Fund
- Capital Projects Fund

**Budget Summary and Comparison - (See Audit, Basic Financial Statements, Supplemental Information)**

- General Fund
- Debt Service Fund
- Capital Projects Fund

## MIDCITIES METROPOLITAN DISTRICT NO. 2

June 21, 2022

Wipfli LLP  
14143 Denver West Parkway  
Lakewood, CO 80401

This representation letter is provided in connection with your audit of the financial statements of MidCities Metropolitan District No. 2 (the District), which comprise the respective financial position of the governmental activities and each major fund as of December 31, 2021, and the respective changes in financial position for the year then ended, and the related notes to the financial statements for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 10, 2021.
2. The financial statements referred to above are fairly presented in conformity with GAAP and include all properly classified funds and other financial information of the primary government and all component units required by GAAP to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions, including any side agreements, of which we are aware. All related party transactions were made at arm's-length. We have also disclosed any changes in related party transactions, and the business purpose for entering into transactions with related parties versus unrelated parties. Related party relationships and transactions have been

appropriately accounted for and disclosed in accordance with the requirements of GAAP.

7. Significant estimates and material concentrations have been properly disclosed in accordance with GAAP.
8. Guarantees, whether written or oral, under which the District is contingently liable, have been properly recorded or disclosed in accordance with GAAP.

#### Information Provided

9. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the District from who you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the District board, or summaries of actions of recent meetings for which minutes have not yet been prepared.
10. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
11. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
12. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
13. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
14. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
15. There are no other liabilities and gain or loss contingencies that are required to be accrued or disclosed by accounting standards.
16. There are no unrecorded transactions and/or side agreements or other arrangements (either written or oral).
17. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial

statements in accordance with GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.

18. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
19. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determinations of financial statement amounts or other financial data significant to the audit objectives.
20. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting noncompliance.
21. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
22. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any material asset been pledged, except as disclosed in the notes to the financial statements.
23. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
24. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
25. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial users.
26. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
27. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
28. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
29. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
30. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.

31. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
32. The District has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
33. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the District vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
34. The methods we used in developing accounting estimates are applied consistently, data is accurate and complete, and the assumptions are reasonable.
35. We accept responsibility for and have designated an individual with suitable skill, knowledge, or experience to oversee the following non-attest services:
  - a. Financial statement preparation
36. We acknowledge our responsibility for presenting the supplemental information in accordance with GAAP, and we believe the supplemental information, including its form and content, is fairly presented in accordance with GAAP. The methods of measurement and presentation of the supplemental information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplemental information.

Sincerely,

MidCities Metropolitan District No. 2

---

(Signature of District Accountant)

---

(Signature of applicable Board member)

**MIDCITIES METROPOLITAN DISTRICT NO. 2**

**SALES & USE TAX REVENUE COMPARISON**

Accrual Basis Collections	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	2022			
						<u>Month. Var. from 2021</u>	%	<u>Cum. Var. from 2021</u>	%
<b><u>Sales Tax</u></b>									
January	170,777	174,708	181,318	134,854	213,781	78,927	43.5%	78,927	58.5%
February	158,948	166,310	176,744	150,556	177,284	26,728	15.1%	105,655	37.0%
March	193,834	189,931	182,364	160,406	202,203	41,798	22.9%	147,453	33.1%
April	185,564	86,745	144,427	164,543	212,129	47,586	32.9%	195,038	43.3%
May	208,369	451,652	170,219	190,568			0.0%		0.0%
June	214,456	209,280	172,307	200,221			0.0%		0.0%
July	214,928	293,741	182,796	205,806			0.0%		0.0%
August	226,142	231,261	178,697	217,888			0.0%		0.0%
September	198,761	212,109	185,949	187,444			0.0%		0.0%
October	205,093	217,294	174,414	191,502			0.0%		0.0%
November	192,352	188,820	175,921	180,116			0.0%		0.0%
December	215,607	201,279	182,483	198,108			0.0%		0.0%
Subtotal Sales Tax	<u>2,384,831</u>	<u>2,623,129</u>	<u>2,107,638</u>	<u>2,182,012</u>	<u>805,397</u>	<u>195,038</u>		<u>527,073</u>	
<b><u>Use Tax</u></b>	<u>14,740</u>	<u>277,988</u>	<u>9,678</u>	<u>29,536</u>	<u>12,838</u>				
<b><u>Special Warranty Deed - Shortfall Payments</u></b>									
Salon Republic (HREG-Flatiron, LLC)									
1st Quarter	13,125	13,125	13,125	13,125					
2nd Quarter	13,125	13,125	13,125	13,125					
3rd Quarter	13,125	13,125	13,125	13,125					
4th Quarter	13,125	13,125	13,125	13,125					
Total Use Tax, and PILOT	<u>67,240</u>	<u>330,488</u>	<u>62,178</u>	<u>82,036</u>					
<b>TOTAL REVENUE</b>	<u><u>2,452,071</u></u>	<u><u>2,953,617</u></u>	<u><u>2,169,816</u></u>	<u><u>2,264,048</u></u>					



## PETITION FOR EXCLUSION OF LAND

---

IN THE MATTER OF MIDCITIES METROPOLITAN DISTRICT NO. 2

---

TO THE BOARD OF DIRECTORS OF THE DISTRICT:

The undersigned Petitioner, being the fee owner of one hundred percent (100%) of the real property hereinafter described ("Property"), hereby petitions that such Property be excluded from the MidCities Metropolitan District No. 2 ("District"), as provided by law, and for cause, states that:

1. Assent to the exclusion of such Property from the District is hereby given by the undersigned, who is the fee owner of such Property.

2. Petitioner understands that there shall be no withdrawal from this Petition after submittal to the District, without the consent of the Board of Directors of the District ("Board").

3. The exclusion of such Property from the District shall be subject to any statutory condition of exclusion, as well as all terms and conditions established by the Board and accepted by Petitioner, including that (i) such Property shall remain obligated to retire its proportionate share of (a) all outstanding bonded indebtedness of the District and interest thereon existing as of the date of a Court Order of Exclusion, as required pursuant to the provisions of §32-1-503(1), C.R.S. and (b) any property tax levy of the District that may be required pursuant to the provisions of Section 5.01(a) and (e) of the Amended and Restated Master Intergovernmental Agreement dated November 30, 2004, between the District and MidCities Metropolitan District No. 1, and (ii) the Property shall be subject to all terms and conditions as set forth in Sections 1.4-1.8 of the General Warranty Deed by and between Premier Hospitality VIII, LLC, a Colorado limited liability company and Lock at Flatirons, LLC, a New Mexico limited liability company, a copy of which is attached hereto as Exhibit A and incorporated herein.

4. This Petition is accompanied by a deposit of \$800, which is sufficient to pay all costs of the exclusion proceedings, as required by statute.

5. The Property is accurately described as follows:

Lot 2, MidCities Filing No. 1, City and County of  
Broomfield, State of Colorado

6. It is in the best interests of the Property that the Property be excluded from the District.

7. It is in the best interests of the District that the Property be excluded from the District.

8. It is in the best interests of the county or counties within which the District is located that the Property be excluded from the District.

9. The relative costs and benefits to the Property justify the exclusion.

10. The District will still be able to provide economical and sufficient service to all of the properties within the District's boundaries following exclusion of the Property.

11. Neither granting nor denying the Petition will have any effect on employment and other economic conditions in the District and surrounding area.

12. Neither granting nor denying the Petition will have any economic impact on the region, the District, the surrounding area, or the state as a whole.

13. There are economically feasible alternative services available from the City and County of Broomfield or another special district in the area of the Property, if needed.

14. The additional costs to be levied on other property within the District if exclusion is granted will be negligible.

WHEREFORE, Petitioner requests that the Board of Directors of the District:

A. Set a public meeting for hearing on this Petition and publish notice thereof in accordance with Section 32-1-501(2), C.R.S.,

B. Approve the Exclusion Agreement, and

C. Order that this Petition be granted in accordance with Section 32-1-501(4)(a)(I), C.R.S.

PETITIONER:

Lock at Flatirons, LLC, a  
New Mexico limited liability company

By: 

Name: BEN F. SPENCER

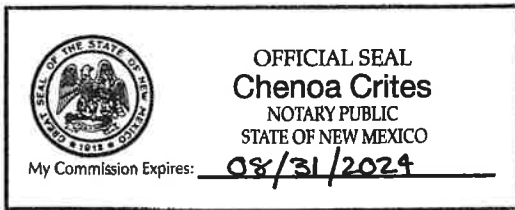
Title: MANAGER

STATE OF NEW MEXICO )  
 ) ss.  
COUNTY OF BERNALILLO )

The foregoing instrument was acknowledged before me this 24 day of JUNE, 2021 by BEN F. SPENCER as MANAGER of Lock at Flatirons, a New Mexico limited liability company.

Witness my hand and official seal.

My commission expires: 08/31/2024



Chenoa Crites  
Notary Public

**EXHIBIT A**  
**GENERAL WARRANTY DEED**  
**[SEE ATTACHED]**

A REIMBURSEMENT AGREEMENT BY AND BETWEEN THE CITY AND COUNTY OF BROOMFIELD  
AND MIDCITIES METROPOLITAN DISTRICT NO. 1 FOR REGIONAL TRAIL IMPROVEMENTS

1. PARTIES. The parties to this Agreement are The City and County of Broomfield, a Colorado municipal corporation and county, (the “City”) and MidCities Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), collectively, the “Parties,” or individually, a “Party.”

2. RECITALS. The Recitals to this Agreement are incorporated herein by this reference as though fully set forth within the body of this Agreement.

2.1 The District is the owner of certain real property ( the “Property”) located in the City and County of Broomfield, State of Colorado described as follows:

**Lot 2, Block 1, MidCities Filing No. 18**

2.2 Prior to the approval of the MidCities Filing No. 18 plat, the Property was entirely encumbered by at thirty foot (30’) wide regional trail easement (the “Easement”) dedicated as a public access easement to the City with the MidCities Filing No. 2 Final Plat, approved and accepted by the City on January 25, 2000 and recorded in the County of Boulder, State of Colorado on February 25, 2000 at Reception No. 2023460.

2.3 The City and District are parties to an Intergovernmental Agreement for Regional Trail dated April 24, 2001 and recorded in the County of Boulder, State of Colorado on April 30, 2001 at Reception No. 2143118. Said Intergovernmental Agreement obligates the District to construct, maintain, repair and replace a public pedestrian and recreational trail upon the Easement and Property throughout the term of the Intergovernmental Agreement.

2.4 The Parties desire to construct the regional trail (the “Project”) upon the Property in 2022 and the District has authorized the necessary funds to construct the Project.

2.5 The Parties desire to enter into an Agreement by which the City will reimburse the District for fifty percent (50%) of the water license and tap fees in an amount not to exceed twenty-five thousand and 00/100 dollars (\$25,000.00) that are required for the Project. The District agrees to pay the balance of the water license fee in an amount not to exceed twenty-five thousand and 00/100 dollars (\$25,000). In the event the water license and tap fees exceed fifty thousand and 00/100 dollars (\$50,000), the Parties agree to split any overage up to ten thousand and 00/100 dollars (\$10,000) evenly, with each party paying a maximum overage not to exceed five thousand and 00/100 dollars (\$5000).

3. OBLIGATIONS OF DISTRICT. In consideration of the mutual covenants and promises of the Parties contained herein, and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

3.1 District shall complete construction of the Project as described and shown on the MidCities Regional Trail Construction Documents submitted on behalf of the District to the City on April 2, 2018 and approved by the City Engineer on April 11, 2018. Said construction documents may be amended as necessary upon approval of the City Engineer.

3.2 Construction of the Project shall be complete by December 31, 2022.

3.3 Upon payment to the City by the District of the water license and tap fees, District shall submit to the City an invoice for reimbursement of fifty percent (50%) of the amount paid. Invoice shall be paid within thirty (30) days of approval by the City representative. Total payments under this Agreement by each party shall not exceed \$25,000 plus any overage permitted under paragraph 2.5.

3.4 Pursuant to the Intergovernmental Agreement, the District shall be responsible for maintenance of the trail, landscaping and associated improvements on the Property so long as the District owns the Property or until such time as the District is dissolved. In the event that the Property is transferred to the City or the District is dissolved, the City will assume maintenance obligations of the Property.

4. OBLIGATIONS OF CITY. In consideration of the mutual covenants and promises of the Parties contained herein, and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

4.1 The City agrees to pay District an amount not to exceed the amount identified in paragraph 3.3 above. Said amount shall be payable by the City within thirty (30) days of receipt of an invoice for same upon completion of the Project.

5. NOTICE AND AUTHORIZED REPRESENTATIVES. Any notice required or permitted by this Agreement shall be in writing and shall be sufficiently given for all purposes if sent by email to the authorized representative identified below. Such notice shall be deemed to have been given when the email was sent and received. Either Party may change the authorized representative at any time by giving notice to the other Party. The Parties each designate an authorized representative as follows:

5.1 The City designates Kristan Pritz as the authorized representative of the City under this Agreement. Email address is kpritz@broomfield.org.

5.2 District designates David Solin as the authorized representative of the District under this Agreement. Email address is dsolin@sdmsi.com.

If the District is alleging that the City is in breach of this Agreement or has violated any term of this Agreement, Legal Notice shall be made by making the notice above with a copy to citycountyattorney@broomfield.org.

6. INDEMNIFICATION. To the extent permitted by law, District expressly agrees to indemnify and hold harmless the City or any of its officers or employees, agents, or officials from any and all claims, damages, liability, or court awards, including costs and attorney's fees, that are or may be awarded as a result of any loss, injury, or damage sustained or claimed to have been sustained by anyone, including but not limited to, any person, firm, partnership, or corporation, in connection with or arising out of any act, omission or act of commission by District or any of its employees or agents in performing work pursuant to this Agreement. In the event that any such suit or action is brought against the City, the City will give timely notice thereof to the other Party. No provision herein shall be deemed or construed to be a waiver of the protections, limitations on liability, immunities or other defenses afforded under the Colorado Governmental Immunity Act.

7. NO THIRD PARTY BENEFICIARIES. This Agreement is intended to describe the rights and responsibilities only as to the parties hereto. This Agreement is not intended and shall not be deemed to confer any rights on any person or entity not named as a party hereto.

8. FINANCIAL OBLIGATIONS OF THE PARTIES. All financial obligations of the Parties under this Agreement are subject to appropriation, budgeting, and availability of funds to discharge such obligations. Nothing in this Agreement shall be deemed to pledge the City's or the District's credit or faith, directly or indirectly, to the other Party.

9. INTEGRATION AND AMENDMENT. This Agreement represents the entire agreement between the Parties and there are no oral or collateral agreements or understandings. This Agreement may be amended only by an instrument in writing signed by the Parties.

10. SEVERABILITY. If any provision of this agreement as applied to either Party or to any circumstance shall be adjudged by a court to be void or unenforceable, the same shall in no way affect any other provision of this Agreement, the application of any such provision in any other circumstances, or the validity or enforceability of the Agreement as a whole.

11. ADDITIONAL DOCUMENTS OR ACTION. The parties agree to execute any additional documents or take any additional action that is necessary to carry out this Agreement.

12. MINOR CHANGES. The Parties executing this Agreement are authorized to make nonsubstantive corrections to this Agreement and attached exhibits, if any, as they consider necessary.

13. DOCUMENTS. All drawings, analyses, plans, tests, maps, surveys, electronic files and written material of any kind generated in the performance of this Agreement or developed specifically for work performed under this Agreement shall remain the sole and exclusive property of the City, and the other Party shall not provide copies of any such material to anyone without the express written consent of the City.

14. ASSIGNMENT. This Agreement shall not be assigned by either Party without the prior written consent of the other Party.

15. BINDING EFFECT. This Agreement shall inure to the benefit of and be binding upon the parties and their respective legal representatives, successors, heirs, and assigns, provided that nothing in this paragraph shall be construed to permit the assignment of this Agreement except as otherwise expressly authorized herein.

16. DAYS. If the day for any performance or event provided for herein is a Saturday, a Sunday, a day on which national banks are not open for the regular transactions of business, or a legal holiday pursuant to C.R.S. § 24-11-101(1), such day shall be extended until the next day on which such banks and state offices are open for the transaction of business.

17. DELAYS. Any delays in or failure of performance by any party of its obligations under this Agreement shall be excused if such delays or failure are a result of acts of God, fires, floods, strikes, labor disputes, accidents, regulations or orders of civil or military authorities, shortages of labor or materials, or other causes, similar or dissimilar, which are beyond the control of such party.

18. NO PRESUMPTION. The Parties to this Agreement and their attorneys have had a full opportunity to review and participate in the drafting of the final form of this Agreement. Accordingly, this Agreement shall be construed without regard to any presumption or other rule of construction against the Party causing the Agreement to be drafted.

19. GOOD FAITH OF PARTIES. In the performance of this Agreement or in considering any requested approval, acceptance, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, or extension of time required or requested pursuant to this Agreement.

20. WAIVER OF BREACH. A waiver by any party to this Agreement of the breach of any term or provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either party.



21. GOVERNING LAW. This Agreement shall be governed by the laws of the State of Colorado. Venue for any legal action related to this Agreement shall lie in the District Court, Broomfield County, Colorado.

22. TERMINATION. This Agreement may be terminated at any time by the City by giving 60 days written notice to the other Party. In such event, the City shall pay the District for any work completed to the date of delivery of the termination notice, said amount shall not exceed \$25,000 plus any overage permitted under paragraph 2.5.

23. SURVIVAL OF OBLIGATIONS. The obligations contained in this Agreement that are not fully performed as of termination shall survive termination and shall continue to bind the Parties until fully performed.

24. EXECUTION. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument. This Agreement shall not be binding upon any Party hereto unless and until the Parties have executed this Agreement.

IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto in their respective names as of \_\_\_\_\_, 2022.

THE CITY AND COUNTY OF BROOMFIELD,  
a Colorado municipal corporation and county

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Office of the City and County Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Assistant City and County Attorney

DISTRICT:

MidCities Metropolitan District No. 1



\_\_\_\_\_  
President

ATTEST:



\_\_\_\_\_  
Secretary



**SMITH ENVIRONMENTAL & ENGINEERING**  
Delivering Smart Solutions for Planning, Permitting, & Design

May 12, 2022

MidCities Metropolitan District No. 2  
c/o David Solin  
141 Union Boulevard, Suite 150  
Lakewood, CO 80228

Re: Proposal for Environmental Clearances – MidCities Metropolitan District No. 2 Trail Connection

Dear Mr. Solin,

In response to your request for a proposal, this letter details the scope of work that Smith Environmental and Engineering (SMITH) will complete to prepare a 20-day letter along the approximately 1,200 linear foot proposed trail alignment behind the Walmart located at 500 Summit Boulevard in the City and County of Broomfield (Project Area, see attached figure).

**Task 1: 20-Day Letter**

The purpose of a 20-Day Letter is to confirm that environmental and wildlife conditions identified in the Broomfield “20-Day Environmental Clearance Letter Information and Checklist” have been addressed prior to disturbance. A SMITH biologist will conduct a site visit to identify environmental and wildlife conditions in the Project Area that may be affected by Project activities. SMITH will assess the potential for wetlands and other Waters of the US, threatened and endangered species, Colorado Parks and Wildlife Tier 1 Species of Greatest Conservation Concern, migratory birds and raptors (including Burrowing Owls), black-tailed prairie dogs, and other wildlife issues including den sites for mammals, fish and other aquatic life. If the start of construction is delayed for more than 20 days from the date on which SMITH conducts the site visit, an additional site visit and updated 20-day letter will be required. This task does not include migratory bird surveys, but such surveys will be required if construction is proposed to occur during the nesting season. Because they are conducted approximately one week in advance of surface disturbance, they are included in a separate task.

**Task 2: Nesting Bird Survey**

The Project Area provides habitat primarily for ground-nesting birds. A ground nest survey will be conducted by two biologists using a rope drag survey technique. Birds nesting on the ground will flush (fly from the nest) ahead of the rope, allowing the surveyors to mark the location of active nests. Each active nest will be marked with orange pin flags and must be protected until the chicks have fledged. SMITH will prepare a letter of the results of the survey that will include a map of any active nests identified as well as recommended protective buffers for each nest based on the species identified. The survey results will be valid for one week from the date of the survey. If construction does not begin within one week, the survey can be repeated, though the same cost and level of effort will be required. As such, SMITH strongly recommends coordinating the date of the nesting bird survey with the general contractor.

**Task 3: 20-Day Letter Update (optional)**

If 20 days pass following the site investigation and construction activities have not begun, Broomfield will require an updated 20-day letter. SMITH will conduct a brief site investigation to determine if site conditions have changed and will provide an updated letter.

**COST**

The costs to complete the described tasks are shown in the table below. Costs to update the 20-day letter are shown, should the initial letter expire. The level of effort for a nesting bird survey is the same for initial surveys and follow-ups.

<b>Task</b>	<b>Lump Sum Cost</b>
1. 20-Day Letter	\$1,195.00
2. Nesting Bird Survey	\$1,135.00
3. 20-Day Letter Update (optional)	\$510.00

SMITH will only bill for work that is completed, and we will do our best to time all surveys to the projected construction start date.

For the purposes of costing this work, the following assumptions have been made:

- Access to the Project Area will be facilitated by the Metro District.
- Project Area is as shown in the attached figure.
- No formal wetland delineation, consultation with the US Fish and Wildlife Service, US Army Corps of Engineers, or Section 404 permitting will be completed.

If this proposal is acceptable, please sign and return a copy of this proposal for our file. Your signature below will authorize SMITH to proceed with work described in this proposal in accordance with the following terms and conditions. SMITH will complete the selected task(s) on a lump sum basis, and will invoice when the task(s) are complete. Invoices are payable upon receipt, and a monthly late fee of 10 percent will be assessed if payment is not received within 30 days. SMITH will schedule work as soon as a signed copy of this proposal is received.

Thank you for the opportunity to submit this proposal. Please contact Rebecca Hannon at 303.551.7983 if you have any questions or require additional information regarding the proposed scope of work.

Sincerely,  
Smith Environmental and Engineering

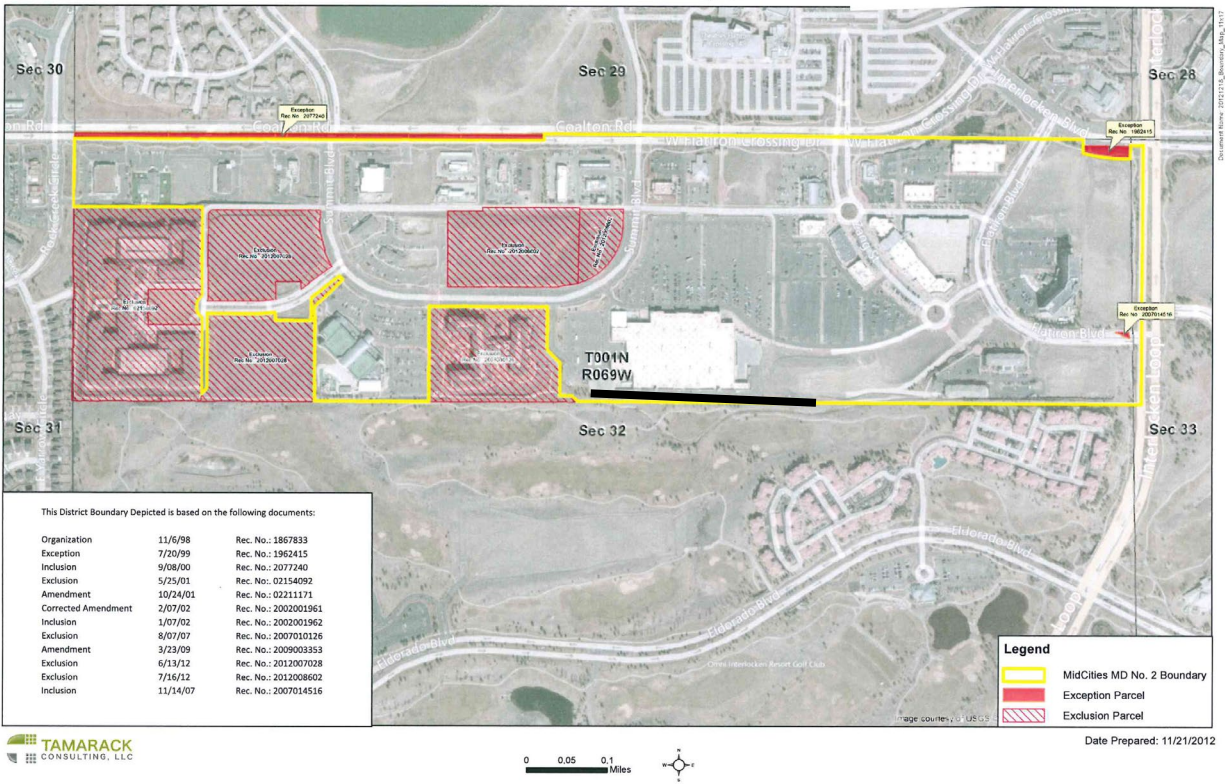


Peter L. Smith, RPSS, PWS, CPESC  
Vice President

MidCities Metropolitan District No. 2

\_\_\_\_\_  
Authorized Representative      Date

**MidCities Metropolitan District No. 2**  
 LGID 07066 - Broomfield County, CO



**Figure I.** Solid black line shows the location of the proposed trail connection.