

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD FEBRUARY 12, 2020

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 Wednesday, the 12th day of February, 2020 at 1:00 p.m., at 141 Union Boulevard, suite 150, Lakewood, Colorado 80228. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Douglas McCormick (via speakerphone)
George Turtle
Charles Tash
Kael T. Russell

Following discussion, upon motion duly made by Director Turtle, seconded by Director Tash and, upon vote, unanimously carried, the absence of Greg Patrick was excused.

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

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

Alex Saltzgaver; Collins Engineers, Inc.

Greg Lindsay; Murphy & Decker, P.C.

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 D. 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

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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 two 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 Turtle, seconded by Director Tash and, upon vote, unanimously carried, the Agenda was approved, 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.

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Following discussion, upon motion duly made by Director Turtle seconded by Director Tash and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228. The Board further noted that notice of this location was duly posted and that no objections have been received to such location or any requests that the meeting place be changed by taxpaying electors within its boundaries and the location is less than twenty miles from the District's boundaries.

Minutes: The Board reviewed the Minutes of the November 19, 2019 regular meeting, the December 3, 2019 special meeting and the December 3, 2019 second special meeting.

Following review, upon motion duly made by Director Turtle, seconded by Director Russell and, upon vote, unanimously carried, the Board approved the Minutes of the November 19, 2019 regular meeting, as amended, the December 3, 2019 special meeting and the December 3, 2019 second special meeting, as presented.

CAPITAL MATTERS

Cut-Off Wall Project for the Greystar Retaining Wall: Mr. Saltzgaver discussed the status of the Cut-Off Wall Project for the Greystar Retaining Wall.

Following review, upon motion duly made by Director Turtle, seconded by Director Russell and, upon vote, unanimously carried, the Board approved the Service Addon/Bid revision from MDLI Consulting, in an amount not to exceed \$8,300.

EXECUTIVE SESSION

EXECUTIVE SESSION: Parking Structure - Upper Deck Sealing Project: Pursuant to Section 24-6-402(4) of the Colorado Revised Statutes, upon motion duly made by Director Turtle, seconded by Director Tash and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 1:11 p.m. for the purpose of receiving from the Board's attorney legal advice on specific legal questions as authorized by Section 24-6-402(4)(b) and (e), C.R.S. Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators relating to the Parking Structure. The executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.

The Board reconvened in regular session at 2:43 p.m.

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PUBLIC COMMENTS

Public Comments: There were no public comments.

FINANCIALS

Claims: The Board deferred discussion.

Unaudited Financial Statements: The Board deferred discussion.

Sales Tax Report: The Board deferred discussion.

LEGAL MATTERS

There were no legal matters at this time.

CAPITAL MATTERS CONT.

Parking Structure – Upper Deck Sealing (“Project”): The Board deferred discussion.

Regional Trail Project: The Board deferred discussion.

Retaining Wall Repair Work: The Board deferred discussion.

Parking Structure and Non-Easement Portion: The Board deferred discussion.

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