

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD JUNE 16, 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 Tuesday, the 16th day of June, 2020 at 1:00 p.m. Due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in person contact, 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 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. (for a portion)

Greg Lindsay; Murphy & Decker, P.C.

Ken Cobb; JR Harris & Co. (for a portion)

Alex Saltzgaver; Collins Engineers, Inc. (for a portion)

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

RECORD OF PROCEEDINGS

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 “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 McCormick, seconded by Director Russell and, upon vote, unanimously carried, the Agenda was approved, as amended.

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, upon motion duly made by Director McCormick seconded by Director Russell and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in person contact, this District Board meeting will be held by conference call without any individuals (neither District Representatives or the General Public) attending in person on location.

May 2020 Election: Mr. Solin noted for the Board that the May 5, 2020 election was cancelled, as allowed under Colorado law, by the Designated Election Official because there were no more candidates than positions available on the Board of Directors. Douglas McCormick and George Turtle were deemed elected to 3-year terms ending in May 2023. Director Kael T. Russell and Charles Tash were deemed elected to a 2-year term ending in May 2022.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Tash, seconded by Director Patrick and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Douglas McCormick
Vice President	Greg Patrick
Treasurer	George Turtle
Assistant Secretary	Charles Tash
Assistant Secretary	Kael T. Russell

Minutes: The Board reviewed the Minutes of the February 12, 2020 Special Meeting, March 17, 2020 Special Meeting and the May 15, 2020 Special Meeting.

Following discussion, upon motion duly made by Director Turtle, seconded by Director Patrick and, upon vote, unanimously carried, the Board approved the Minutes of the February 12, 2020 Special Meeting, March 17, 2020 Special Meeting and the May 15, 2020 Special Meeting, as presented.

PUBLIC COMMENTS

Public Comments: There were no public comments.

RECORD OF PROCEEDINGS

FINANCIAL MATTERS

Claims: The Board considered ratification of the payment of claims through the period ending as follows:

Fund	Period ending Dec. 19, 2019	Period ending Jan. 17, 2020	Period ending Feb. 7, 2020	Period ending March 11, 2020
General	\$ 34,574.30	\$ 10,920.63	\$ 21,601.41	\$ 8,825.26
Debt	\$ -0-	\$ 605.00	\$ 5,000.00	\$ -0-
Capital	\$ 1,419.00	\$ -0-	\$ -0-	\$ -0-
Total	\$ 35,993.30	\$ 11,525.63	\$ 26,601.41	\$ 8,825.26

Fund	Period ending April 14, 2020	Period ending May 12, 2020
General	\$ 26,472.28	\$ 60,488.08
Capital	\$ 28,442.83	\$ 67,714.98
Total	\$ 54,915.11	\$ 128,203.04

Following discussion, upon motion duly made by Director Russel, seconded by Director Patrick and, upon vote, unanimously carried, the Board approved the payment of claims, as presented.

2019 Audit: Ms. Johanns reviewed with the Board the 2019 draft Audited Financial Statements.

Following review and discussion, upon motion duly made by Director McCormick, seconded by Director Turtle and, upon vote, unanimously carried, the Board approved the 2019 Audited Financial Statements, subject to legal review, and appointed Director Turtle for final district review and authorized execution of the Representations Letter.

Sales Tax Report: There was no report at this time.

LEGAL MATTERS

Request for Exclusion: Lot 2 Filing 1 has been acquired for apartments, and is requesting exclusion. The Board and Attorney Cockrel discussed the possible imposition of fees. The Board wants to review a PILOT or FIL in the approximate amount of 3 mills.

CAPITAL MATTERS

Status of the Parking Structure Project: The Board discussed the status of the status of the Parking Structure Project. The Board directed Mr. Solin to prepare a Project Schedule for review by the Board.

Status of the Regional Trail Project: There were no updates at this time.

RECORD OF PROCEEDINGS

Status of Cut-off Wall Project for the Greystar Retaining Wall: Mr. Saltzgaver updated the Board on the project's completion and observations since completion.

Status of Retaining Wall Repair Work: Alex updated the Board on the need for testing by a Geotechnical Soils Engineer.

**EXECUTIVE
SESSION**

Executive session was not necessary at this time.

OTHER MATTERS

Litigation settlement discussions with Aequus: Attorney Lindsay discussed with the Board the action on the litigation settlement discussions with Aequus.

ADJOURNMENT

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

Respectfully submitted,

By: 

Secretary for the Meeting