

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD SEPTEMBER 15, 2020

A regular 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 September, 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 Johanns; Simmons & Wheeler, P.C. (for a portion)

Greg Lindsay; Murphy & Decker, P.C.

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

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

Dan Vickers: and Todd Berry; Howell Construction (for a portion)

DISCLOSURE OF POTENTIAL CONFLICTS OF

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

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INTEREST

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 “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 regular meeting. Following discussion, upon motion duly made by Director McCormick, seconded by

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Director Tash and, upon vote, unanimously carried, the Agenda was approved, as presented.

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 Tash 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.

Minutes: The Board reviewed the Minutes of the June 16, 2020 Special Meeting.

Following discussion, upon motion duly made by Director McCormick, seconded by Director Russell and, upon vote, unanimously carried, the Board approved the Minutes of the June 16, 2020, as presented.

PUBLIC COMMENTS

Public Comments: There were no public comments.

FINANCIAL MATTERS

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

	Period Ending June. 15, 2020	Period Ending July. 13, 2020	Period Ending Aug. 12, 2020
General Fund	\$ 14,400.69	\$ 21,555.61	\$ 9,350.19
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ 22,067.97	\$ 18,338.96	\$ 19,444.17
Total Claims	\$ 36,468.66	\$ 39,894.57	\$ 28,794.36

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

The Board then reviewed and considered approval of the payment of claims through the period ending September 10, 2020, totaling \$20,368.52.

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

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Unaudited Financial Statements: Ms. Johanns reviewed with the Board the unaudited financial statements of the District setting forth the cash deposits, investments and budget analysis for the period ending June 30, 2020.

Following review and discussion, upon motion duly made by Director Russell, seconded by Director Tash and, upon vote, unanimously carried, the Board accepted the unaudited financial statements of the District setting forth the cash deposits, investments and budget analysis for the period ending June 30, 2020 as presented.

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

Preparation of 2021 Budget: The Board discussed preparation of the 2021 Budget.

Following discussion, upon motion duly made by Director McCormick, seconded by Director Turtle and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2021 Budget. The Board determined to hold the public hearing to consider adoption of the 2021 Budget on Tuesday, November 17, 2020 at 1:00 p.m.

LEGAL MATTERS

There were no legal matters at this time. It was noted that Attorney Cockrel is working with the hotel builder on a PILOT revenue agreement.

CAPITAL MATTERS

Status of the Parking Structure Project: Mr. Solin discussed with the Board the status of the status of the Parking Structure Project.

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

Status of Retaining Wall Repair Work: The Board discussed the status of the retaining wall repair work. Mr. Solin noted that he has not heard any new construction updates or timelines from the hotel property developer.

EXECUTIVE SESSION

EXECUTIVE SESSION: Parking Structure: Pursuant to Section 24-6-402(4) of the Colorado Revised Statutes, upon motion duly made by Director McCormick, seconded by Director Turtle and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 1:42 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. Receiving from the Board's attorney legal advice on specific legal questions 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

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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 2:30 p.m.


OTHER MATTERS

Litigation settlement discussions with Aequus: There was no discussion at this time.

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