

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD SEPTEMBER 19, 2023

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 19th day of September, 2023 at 1:00 p.m. This District Board meeting was held by conference call via Zoom, without any individuals (neither District Representatives or the General Public) attending in person, 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; Cockrel Ela Glesne Greher & Ruhland, P.C.

Kimberly Johannis; Simmons & Wheeler, P.C.

Alex Saltzgaver; Collins Engineers, Inc.

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. 1 (referred to hereafter as “District No. 1” 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

RECORD OF PROCEEDINGS

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 among others 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 Director Russell, upon vote, unanimously carried, the Board approved the Agenda, as presented.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1.5), C.R.S., concerning the conduct of the District Board meetings and determined that, until subsequently changed by action of the Board, all Board meetings would be held by conference call via *Zoom* and not at any physical location.

RECORD OF PROCEEDINGS

Minutes: The Board reviewed the Minutes of the June 20, 2023 Regular Meeting.

Following discussion, upon motion duly made by Director McCormick, seconded by Director Russell, upon vote, unanimously carried, the Board approved the Minutes of the June 20, 2023 Regular Meeting, 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 June 30, 2023	Period ending July 31, 2023	Period ending August 31, 2023
General	\$ 14,669.29	\$ 29,759.98	\$ 7,802.04
Debt	\$ 4,000.00	\$ -0-	\$ -0-
Capital	\$ 6,027.23	\$ 2,560.83	\$ 665.83
Total	\$ 24,696.52	\$ 32,320.81	\$ 8,467.87

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

Unaudited Financial Statements: Ms. Johanns reviewed with the Board the unaudited financial statements of the District for the period ending June 30, 2023.

Following review and discussion, upon motion duly made by Director McCormick, seconded by Director Turtle, and upon vote, unanimously carried, the Board accepted the unaudited financial statements of the District for the period ending June 30, 2023, as presented.

Sales Tax Tracking Report: Mr. Solin presented to the Board the Sales Tax Tracking Report.

LEGAL MATTERS

Garage Deed: The Board discussed the status of the deed for the transfer of the garage.

CAPITAL MATTERS

Retaining Wall Repair Work: There were no updates at this time.

Trail Completion Project and Retaining Wall: The Board discussed the status of the Trail Completion Project and Retaining Wall Repair, and appointing a construction committee of Director McCormick and Director Russell.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Tash, seconded by Director Turtle, and, upon vote, unanimously carried, the Board appointed a construction committee of Director McCormick and Director Russell. The Board directed Mr. Solin to set a meeting on site for the committee to tour the project.

OTHER MATTERS

There were no other matters to discuss 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 McCormick, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: 

Secretary for the Meeting