

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD NOVEMBER 17, 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 17th day of November, 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.

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 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 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 Tash, seconded by Director Russell 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.

Following discussion, upon motion duly made by Director Tash seconded by Director Russell and, upon vote, unanimously carried, the Board determined that due to

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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.

2021 Regular Meeting Dates: The Board entered into discussion regarding setting dates for 2021 Regular Meetings.

Following review and discussion, upon motion duly made by Director McCormick, seconded by Director Turtle and, upon vote, unanimously carried, the Board determined to schedule Regular Meetings on the third Tuesday in March, June, September and November. The Meetings will be held at 1:00 p.m., at the offices of Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228.

Minutes: The Board reviewed the Minutes of the September 15, 2020 and October 8, 2020 special meetings.

Following review, upon motion duly made by Director Russell, seconded by Director Tash and, upon vote, unanimously carried, the Board approved the Minutes of the September 15, 2020 and October 8, 2020 special meetings, as presented.

**PUBLIC
COMMENT**

There was no public comment.

**FINANCIAL
MATTERS**

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

	Period Ending Sept. 10, 2020	Period Ending Oct. 13, 2020
General Fund	\$ 5,409.64	\$ 29,864.24
Debt Service Fund	\$ -0-	\$ -0-
Capital Fund	\$ 14,958.88	\$ 12,862.83
Total Claims	\$ 20,368.52	\$ 42,727.07

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

Claims Through the Period Ending November 17, 2020: The Board deferred discussion.

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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, budget analysis, and accounts payable vouchers for the period ending September 30, 2020.

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

Sales Tax Report: Mr. Solin discussed with the Board the Sales and Use Tax Revenue Comparison.

2020 Audit: The Board considered the engagement of Wipfli LLP to perform the 2020 Audit.

Following review and discussion, upon motion duly made by Director Turtle, seconded by Director Russell and, upon vote, unanimously carried, the Board approved the engagement of Wipfli LLP to perform the 2020 Audit, in an amount not to exceed \$4,350.

2020 Budget Amendment Hearing: The President opened the public hearing to consider a Resolution to Amend the 2020 and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2020 Budget 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 determined that a 2020 Budget Amendment was unnecessary.

2021 Budget Hearing: The President opened the continued public hearing on the proposed 2021 Budget and discussed related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2021 Budget 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.

Ms. Johanns reviewed the estimated 2020 revenues and expenditures and proposed 2021 revenues and expenditures.

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Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2021 Budget and Appropriate Sums of Money and Set Mill Levies for the General Fund at 3.000 mills and the Debt Service Fund at 38.901 mills, for a total mill levy of 41.901 mills and Debt Service Fund – Greystar Exclusion at 30.875 mills, Debt Service Fund – Filing 15 Exclusion at 38.000 mills, Pathfinder Exclusion at 38.000, CP III Flatirons Exclusion at 38.000 mills. Upon motion duly made by Director McCormick, seconded by Director Turtle and, upon vote, unanimously carried, the Resolutions were adopted, subject to legal review of Mill Levy requirements in bond documents for the Debt Service Fund Abatement, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2020. The District Accountant was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of the City and County of Broomfield and the Division of Local Government, not later than December 15, 2020. The District Accountant was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2021. Copies of the adopted Resolutions are attached to these Minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form.

Following discussion, upon motion duly made by Director McCormick, seconded by Director Turtle and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

LEGAL MATTERS

Hotel Site: Attorney Cockrel noted for the Board he continues to work with a developer on the remaining hotel site and they expect to build apartments on the site. The purchaser is seeking to be excluded from the District. Attorney Cockrel is working with the Developer's Counsel.

Parking: It was noted for the Board that the FIOA requested to use the surface parking lot for a Conex to be used by the snow removal contractor. The Board directed Attorney Cockrel to draft a Letter of Agreement.

Director's Parcels: It was noted for the Board the Director's parcels will be revised from Everwest Real Estate Investors to each Director.

CAPITAL MATTERS

Status of the Parking Structure Project: The Board discussed the Parking Structure Project.

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Status of the Regional Trail Project: The Board discussed the Regional Trail Project.

Status of Retaining Wall Repair Work: The Board discussed the status of the retaining wall repair work.

Municipal Advisor: The Board directed Mr. Solin to obtain Municipal Advisor proposals for the purpose of looking at options for refunding the District's outstanding debt obligations.

EXECUTIVE SESSION

EXECUTIVE SESSION: Parking Structure: Pursuant to Section 24-6-402(4) of the Colorado Revised Statutes, upon motion duly made by Director Tash, seconded by Director Patrick and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 2:01 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 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 2:20 p.m.

OTHER MATTERS


Litigation Settlement Discussions with Aequus: The Board discussed action on the litigation settlement discussions with Aequus. No action was taken by the Board.

ADJOURNMENT

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

Respectfully submitted,

By: _____


Secretary for the Meeting