

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD JUNE 15, 2021

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 15th day of June, 2021 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.

Greg Lindsay, Esq., Murphy & Decker P.C.

Kimberly Johans; Simmons & Wheeler, P.C. (for a portion of the meeting)

Jason Simmons and Creig Veldhuizen; Hilltop Securities Inc. (for a portion of the meeting)

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. 2 (referred to

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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 special meeting.

Following discussion, upon motion duly made by Director McCormick, seconded by Director Tash and, upon vote, unanimously carried, the Agenda was approved, as amended.

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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 January 28, 2021, March 16, 2021 and March 25, 2021 Special Meetings.

Following discussion, upon motion duly made by Director Russell, seconded by Director Patrick and, upon vote, unanimously carried, the Board approved the Minutes of the January 28, 2021, March 16, 2021 and March 25, 2021 Special Meetings, as presented.

2021 SDA Conference: Mr. Solin discussed the SDA Conference with the Board, and noted the information concerning the details of the conference will be emailed to them once the information is available.

**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:

Fund	Period ending March 31, 2021	Period ending April 26, 2021	Period ending May 30, 2021
General	\$ 6,156.06	\$ 25,796.80	\$ 10,124.33
Debt	\$ -0-	\$ -0-	\$ -0-
Capital	\$ 4,221.50	\$ 9,094.83	\$ 9,079.06
Total	\$ 10,377.56	\$ 34,891.63	\$ 19,203.39

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

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 March 31, 2021.

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Following review and discussion, upon motion duly made by Director Turtle, 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 and budget analysis for the period ending March 31, 2021 as presented.

2020 Audit: Ms. Johanns reviewed with the Board the draft 2020 Audit.

Following review and discussion, upon motion duly made by Director Tash, seconded by Director Turtle, and upon vote, unanimously carried, the Board accepted the 2020 Audited Financial Statements and authorized execution of the Representations Letter.

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

Letter Agreement between the District and Hilltop Securities to serve as Municipal Advisor for the District: The Board reviewed a Letter Agreement between the District and Hilltop Securities to serve as Municipal Advisor for the District. Mr. Simmons discussed with the Board options for refunding.

Following review and discussion, upon motion duly made by Director Turtle, seconded by Director Russell and, upon vote, unanimously carried, the Board ratified approval of the Letter Agreement between the District and Hilltop Securities to serve as Municipal Advisor for the District.

LEGAL MATTERS

There no legal matters at this time.

CAPITAL MATTERS

Parking Structure Project: There were no updates at this time.

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

Retaining Wall Repair Work: Mr. Saltzgaver discussed with the Board the status of the retaining wall repair work. He noted a site visit is planned for Monday, June 21, 2021 with Attorney Cockrel and any Director that is interested in attending.

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 Russell and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 2:22 p.m. for the purpose of receiving from the Board's attorney legal advice relating to the Parking Structure as authorized by Section 24-6-402(4)(b) and (e), C.R.S. The executive session discussion

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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 2:46 p.m.

Improvements Delivery Agreement with Aequus: The Board reviewed an Improvements Delivery Agreement with Aequus, which provides for the demolition of the parking structure and construction of surface parking and related improvements. Attorney Cockrel reported to the Board the Agreement is near final form and subject to final revisions, review and approval by Aequus.

Following review and discussion, upon motion duly made by Director Turtle, seconded by Director Russell and, upon vote, unanimously carried, the Board approved the Improvements Delivery Agreement with Aequus and any final revisions that are not material in nature and authorized the execution of the Improvements Delivery Agreement.

Remaining Bond Funds: The Board entered into discussion regarding the remaining bond funds.

Following review and discussion, upon motion duly made by Director McCormick, seconded by Director Turtle and, upon vote, unanimously carried, the Board authorized the District Accountant to requisition and deposit any remaining bond funds plus any additional funds necessary to fund the Improvements Project for deposit into an Escrow Account to be established in accordance with and upon execution of the Improvements Delivery Agreement.


OTHER MATTERS

Aequus Litigation Settlement Proposal: No action was necessary at this time.

ADJOURNMENT

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

Respectfully submitted,

By: 
Secretary for the Meeting