

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD NOVEMBER 16, 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 16th day of November, 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 held by conference call 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; Collins; Cockrel & Cole, P.C.

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

Jason Simmons; Hilltop Securities, Inc. (for a portion of the meeting)

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

RECORD OF PROCEEDINGS

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 presented.

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 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 September 21, 2021 Special Meeting.

Following discussion, upon motion duly made by Director Tash, seconded by Director Patrick and, upon vote, unanimously carried, the Board approved the Minutes of the September 21, 2021 Special Meeting, as presented.

2022 Regular Meeting Dates: The Board entered into discussion regarding setting dates for 2022 Regular Meetings.

Following review and discussion, upon motion duly made by Director McCormick, seconded by Director Russell and, upon vote, unanimously carried, the Board determined to schedule Regular Meetings on the third Tuesday in March, June, September and November in 2022. The Meetings will be held at 1:00 p.m., via teleconference.

**PUBLIC
COMMENT**

There were no public comments.

**FINANCIAL
MATTERS**

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

Fund	Period ending Sept. 25, 2021	Period ending Oct. 31, 2021
General	\$ 7,072.34	\$ 30,803.53
Debt	\$ -0-	\$ -0-
Capital	\$ 55,046.83	\$ 976.83
Total	\$ 62,119.17	\$ 31,780.36

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

RECORD OF PROCEEDINGS

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 September 30, 2021.

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 September 30, 2021 as presented.

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

2021 Audit: The Board considered the engagement of Wipfli LLP to perform the 2021 Audit.

Following review and discussion, upon motion duly made by Director Turtle, seconded by Director Tash and, upon vote, unanimously carried, the Board approved the engagement of Wipfli LLP to perform the 2021 Audit, for an amount not to exceed \$4,600.

2021 Budget Amendment Hearing: The President opened the public hearing to consider a Resolution to Amend the 2021 and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend 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.

Following review and discussion, Director Turtle moved to adopt the Resolution to Amend 2021 Budget, Director Russell seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-02 to Amend the 2021 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2022 Budget Hearing: The President opened the continued public hearing on the proposed 2022 Budget and discussed related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2022 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.

RECORD OF PROCEEDINGS

Ms. Johanns reviewed the estimated 2021 revenues and expenditures and proposed 2022 revenues and expenditures.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2022 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 41.908 mills and Debt Service Fund – Greystar Exclusion at 30.875 mills, Debt Service Fund – Filing 15 Exclusion at 38.000mills, Pathfinder Exclusion at 38.000 mills and CP III Flatirons Exclusion at 38.000 mills. Upon motion duly made by Director Turtle, seconded by Director Russell 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, 2021. 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, 2021. The District Accountant was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2022. 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 Turtle, seconded by Director Russell 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.

Bond Refunding: Mr. Simmons reported to the Board that after an underwriter RFP was performed, it was determined that Wells Fargo was the most advantageous to the District.

Following discussion, upon motion duly made by Director Russell, seconded by Director Tash and, upon vote, unanimously carried, the Board ratified approval of Wells Fargo as Underwriter.

U.S. Bank Loan: The Board discussed a Loan Amendment to the U.S. Bank loan.

Following further discussion, upon motion duly made by Director Tash, seconded by Director Turtle and, upon vote, unanimously carried, the Board directed Mr. Simmons to work with U.S. Bank on a loan amendment and notify U.S. Bank of the termination

RECORD OF PROCEEDINGS

of the swap, effective December 1, 2021, and authorized Director McCormick to execute the First Amendment to the U.S Bank loan, subject to final legal review.

LEGAL MATTERS

Letter from Collins, Cockrel & Cole, P.C.: The Board discussed the letter from Collins, Cockrel & Cole, P.C. (CCC) regarding the firm's termination of legal services as of December 31, 2021, and the Board's option to transition legal representation to Mr. Cockrel's new law firm, Cockrel Ela Glesne Greher & Ruhland (CEGR Law) or another law firm.

Following review and discussion, upon motion duly made by Director Tash, seconded by Director McCormack and, upon vote, unanimously carried, the Board acknowledged the CCC letter, approved the transition of the District's legal representation to CEGR Law, and directed Director McCormick to execute the transition and engagement letters.

Resolution Calling for the May 3, 2022 Regular District Election: The Board discussed the upcoming May 3, 2022 Regular Election and reviewed a Resolution Calling for the 2022 Regular District Election.

Following discussion, upon motion duly made by Director Russell, seconded by Director McCormick and, upon vote, unanimously carried, the Board adopted a Resolution Calling for the 2022 Regular District Election and appointed David Solin as the Designated Election Official and authorized him to perform all tasks required for the May 3, 2022 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

CAPITAL MATTERS

Parking Structure Project: Mr. Solin updated the Board.

Regional Trail Project: Mr. Solin discussed with the Board the status of the Regional Trail Project.

Retaining Wall Repair Work: Mr. Solin discussed with the Board the status of the retaining wall repair project.

OTHER MATTERS


None.

RECORD OF PROCEEDINGS

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