

MIDCITIES METROPOLITAN DISTRICT NO. 2

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
Fax: 303-987-2032

NOTICE OF SPECIAL MEETING AND AGENDA

| <u>Board of Directors:</u> | <u>Office:</u> | <u>Term/Expiration:</u> |
|----------------------------|---------------------|-------------------------|
| Douglas McCormick | President | May 2023/2023 |
| Greg Patrick | Vice President | May 2022/2022 |
| George Turtle | Treasurer | May 2023/2023 |
| Charles Tash | Assistant Secretary | May 2022/2022 |
| Kael T. Russell | Assistant Secretary | May 2022/2022 |
| David Solin | Secretary | |

DATE: November 17, 2020 (Tuesday)

TIME: 1:00 p.m.

PLACE: *Due to Executive Order D 2020 044 Safer at Home issued by Governor Polis on April 26, 2020, and Public Health Order 20-28 implementing the Executive Order, issued by the Colorado Department of Health and Environment (CDPHE) on April 26, 2020, this meeting will be held via teleconferencing and can be joined through the directions below:*

IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE CALL IN TO THE CONFERENCE BRIDGE AT 1-877-250-3814 AND WHEN PROMPTED, DIAL IN THE PASSCODE OF 5592663.

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda, confirm location of the meeting and posting of meeting Notice.

C. Consider regular meeting dates for 2021 (for the third Tuesday in March, June, September and November) at 1:00 p.m., at 141 Union Boulevard, Suite 150, Lakewood, Colorado.

C. Review and approve Minutes of the September 15, 2020 special meeting and the October 8, 2020 special meeting (enclosures).

II. PUBLIC COMMENTS

A. _____

III. FINANCIAL MATTERS

A.

A. Review and ratify the approval of the payment of claims as follows (enclosures):

| | 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 |

B. Review and consider approval of payment of claims through the period ending November 17, 2020, totaling \$_____ (to be distributed)

C. Review and accept unaudited financial statements for the period ending September 30, 2020 (enclosure).

D. Discuss Sales Tax Report (enclosure).

E. Consider engagement of Wipfli LLP to perform the 2020 Audit, for an amount not to exceed \$4,350 (enclosure).

F. Conduct Public Hearing to consider Amendment to 2020 Budget and (if necessary) consider adoption of Resolution to Amend the 2020 Budget and Appropriate Expenditures.

G. Conduct Public Hearing on the proposed 2021 Budget and consider adoption of Resolutions to Adopt the 2021 Budget and Appropriate Sums of Money and to Set Mill Levies (preliminary assessed valuations, draft 2021 Budget and resolutions).

- H. Consider authorizing 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.
-

IV. LEGAL MATTERS

- A. _____

V. CAPITAL MATTERS

- A. Discuss status of the Parking Structure Project.
-

- B. Discuss status of the Regional Trail Project.
-

- C. Discuss status of retaining wall repair work.
-

VI. EXECUTIVE SESSION

- A. Receive legal advice pursuant to Section 24-6-402(4)(b). C.R.S. relating to the Parking Structure. **Adjourn into Executive Session.**
-

VII. OTHER MATTERS

- A. Discuss action on litigation settlement discussions with Aequus.
-

VIII. ADJOURNMENT **THE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2020.**

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

RECORD OF PROCEEDINGS

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

RECORD OF PROCEEDINGS

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.

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 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 record, written or electronic, was kept or required to be kept pursuant to Section 24-6-

RECORD OF PROCEEDINGS

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

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD OCTOBER 8, 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 Thursday, the 8th day of October, 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
Charles Tash
Kael T. Russell

Following discussion, upon motion duly made by Director McCormick, seconded by Director Patrick and, upon vote, unanimously carried, the absence of Director Turtle was excused.

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Paul Cockrel; Collins; Cockrel & Cole, P.C.

Kimberly Johannis; Simmons & Wheeler, P.C. (for a portion)

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 D. 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

RECORD OF PROCEEDINGS

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 Director Patrick 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 Patrick 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.

CAPITAL MATTERS

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

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 1:05 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 1:25 p.m.

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

| Check No and Date | Payee | Invoice No | GL Account Title | GL Acct | Amount | Total |
|-------------------|-----------------------------------|------------|--------------------------|---------|----------|-----------|
| 1377 | | | | | | |
| 09/10/2020 | Architectural Workshop LLC | 2021-04 | Parking Garage Structure | 3-762 | 800.00 | 800.00 |
| Total 1377: | | | | | | 800.00 |
| 1378 | | | | | | |
| 09/10/2020 | Collins Cockrel & Cole | 3013M 7/20 | Legal | 1-675 | 2,208.02 | 2,208.02 |
| 09/10/2020 | Collins Cockrel & Cole | 3013M 7/20 | Legal | 3-675 | 2,581.00 | 2,581.00 |
| Total 1378: | | | | | | 4,789.02 |
| 1379 | | | | | | |
| 09/10/2020 | Harris Kocher Smith | 200501.04 | Parking Garage Structure | 3-762 | 7,172.50 | 7,172.50 |
| 09/10/2020 | Harris Kocher Smith | 200501.5 | Parking Garage Structure | 3-762 | 1,450.00 | 1,450.00 |
| Total 1379: | | | | | | 8,622.50 |
| 1380 | | | | | | |
| 09/10/2020 | Norris Design Inc | 01-60397 | Parking Garage Structure | 3-762 | 1,701.55 | 1,701.55 |
| Total 1380: | | | | | | 1,701.55 |
| 1381 | | | | | | |
| 09/10/2020 | Simmons & Wheeler, PC | 27068 | Accounting | 1-612 | 1,063.75 | 1,063.75 |
| Total 1381: | | | | | | 1,063.75 |
| 1382 | | | | | | |
| 09/10/2020 | Special Dist Management Srvs | 75584 | Miscellaneous Expense | 1-685 | 73.87 | 73.87 |
| 09/10/2020 | Special Dist Management Srvs | 75584 | Accounting | 1-612 | 434.00 | 434.00 |
| 09/10/2020 | Special Dist Management Srvs | 75584 | District Management | 1-614 | 630.00 | 630.00 |
| 09/10/2020 | Special Dist Management Srvs | 75584 | Parking Garage Structure | 3-762 | 588.00 | 588.00 |
| Total 1382: | | | | | | 1,725.87 |
| 1383 | | | | | | |
| 09/10/2020 | Tiarna Real Estate Services, Inc. | 2020-09-01 | Property Mgt/FOA | 1-705 | 1,000.00 | 1,000.00 |
| Total 1383: | | | | | | 1,000.00 |
| 1384 | | | | | | |
| 09/10/2020 | Weathercraft Company of Colora | 7103 | Parking Garage Structure | 3-762 | 665.83 | 665.83 |
| Total 1384: | | | | | | 665.83 |
| Grand Totals: | | | | | | 20,368.52 |

MidCities Metropolitan District No. 2
September-20

| | <u>General</u> | <u>Debt</u> | <u>Capital</u> | <u>Totals</u> |
|---|-------------------|---------------|--------------------|--------------------|
| Disbursements | \$ 5,409.64 | | \$ 14,958.88 | \$ 20,368.52 |
| Payroll | | - | | \$ - |
| | | - | | |
| Total Disbursements from Checking Acct | \$5,409.64 | \$0.00 | \$14,958.88 | \$20,368.52 |

| Check No and Date | Payee | Invoice No | GL Account Title | GL Acct | Amount | Total |
|-------------------|-----------------------------------|-------------|--------------------------|---------|----------|-----------|
| 1385 | | | | | | |
| 10/13/2020 | Collins Cockrel & Cole | 3013M 8/20 | Legal | 1-675 | 2,316.40 | 2,316.40 |
| 10/13/2020 | Collins Cockrel & Cole | 3013M 8/20 | Legal | 3-675 | 3,560.00 | 3,560.00 |
| Total 1385: | | | | | | 5,876.40 |
| 1386 | | | | | | |
| 10/13/2020 | Colorado Special Districts P&L | POL-0004179 | Insurance/SDA | 1-670 | 450.00 | 450.00 |
| Total 1386: | | | | | | 450.00 |
| 1387 | | | | | | |
| 10/13/2020 | Flatiron Owners Association | 002583 Q4 | Property Mgt/FOA | 1-705 | 8,058.11 | 8,058.11 |
| 10/13/2020 | Flatiron Owners Association | 002611 Q4 | Property Mgt/FOA | 1-705 | 792.80 | 792.80 |
| 10/13/2020 | Flatiron Owners Association | 002612 Q4 | Property Mgt/FOA | 1-705 | 1,216.42 | 1,216.42 |
| 10/13/2020 | Flatiron Owners Association | 002613 Q4 | Property Mgt/FOA | 1-705 | 3,709.02 | 3,709.02 |
| 10/13/2020 | Flatiron Owners Association | 002732 Q4 | Property Mgt/FOA | 1-705 | 860.52 | 860.52 |
| 10/13/2020 | Flatiron Owners Association | 002964 Q4 | Property Mgt/FOA | 1-705 | 320.04 | 320.04 |
| 10/13/2020 | Flatiron Owners Association | 003767 Q4 | Property Mgt/FOA | 1-705 | 3,072.92 | 3,072.92 |
| Total 1387: | | | | | | 18,029.83 |
| 1388 | | | | | | |
| 10/13/2020 | Howell Construction | 200071.1 | Parking Garage Structure | 3-762 | 7,363.00 | 7,363.00 |
| Total 1388: | | | | | | 7,363.00 |
| 1389 | | | | | | |
| 10/13/2020 | Simmons & Wheeler, PC | 27282 | Accounting | 1-612 | 656.25 | 656.25 |
| Total 1389: | | | | | | 656.25 |
| 1390 | | | | | | |
| 10/13/2020 | Special Dist Management Srvs | 77307 | Miscellaneous Expense | 1-685 | 110.01 | 110.01 |
| 10/13/2020 | Special Dist Management Srvs | 77307 | Accounting | 1-612 | 518.00 | 518.00 |
| 10/13/2020 | Special Dist Management Srvs | 77307 | District Management | 1-614 | 2,072.00 | 2,072.00 |
| 10/13/2020 | Special Dist Management Srvs | 77307 | Parking Garage Structure | 3-762 | 1,274.00 | 1,274.00 |
| Total 1390: | | | | | | 3,974.01 |
| 1391 | | | | | | |
| 10/13/2020 | Tiarna Real Estate Services, Inc. | 2020-10-01 | Property Mgt/FOA | 1-705 | 1,000.00 | 1,000.00 |
| Total 1391: | | | | | | 1,000.00 |
| 1392 | | | | | | |
| 10/13/2020 | Weathercraft Company of Colora | 7221 | Parking Garage Structure | 3-762 | 665.83 | 665.83 |
| Total 1392: | | | | | | 665.83 |
| 1393 | | | | | | |
| 10/13/2020 | Wipfli LLP | 1647462 | Audit | 1-615 | 4,250.00 | 4,250.00 |
| Total 1393: | | | | | | 4,250.00 |
| Grand Totals: | | | | | | 42,265.32 |

| <u>Check Issue Date</u> | <u>Check Number</u> | <u>Payee</u> | <u>Amount</u> |
|-----------------------------|-------------------------|--------------------|---------------|
| 10/13/2020 | 90068 | McCormick, Douglas | 92.35 |
| 10/13/2020 | 90069 | Turtle, George | 92.35 |
| 10/13/2020 | 90070 | Patrick, Gregory | 92.35 |
| 10/13/2020 | 90071 | Tash, Charles | 92.35 |
| 10/13/2020 | 90072 | Russell, Kael T. | 92.35 |
| Grand Totals: | | | |
| | <u>5</u> | | <u>461.75</u> |

MidCities Metropolitan District No. 2
October-20

| | <u>General</u> | <u>Debt</u> | <u>Capital</u> | <u>Totals</u> |
|---|--------------------|---------------|--------------------|--------------------|
| Disbursements | \$ 29,402.49 | | \$ 12,862.83 | \$ 42,265.32 |
| Payroll | 461.75 | - | | \$ 461.75 |
| | | - | | |
| Total Disbursements from Checking Acct | \$29,864.24 | \$0.00 | \$12,862.83 | \$42,727.07 |

MidCities Metropolitan District No. 2
Financial Statements

September 30, 2020

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
MidCities Metropolitan District No. 2

Management is responsible for the accompanying financial statements of each major fund of MidCities Metropolitan District No. 2, as of and for the period ended September 30, 2020, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the nine months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement of Net Position, Statement of Activities, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to MidCities Metropolitan District No. 2 because we performed certain accounting services that impaired our independence.

Simmons & Wheeler, P.C.

November 7, 2020
Englewood, Colorado

MidCities Metropolitan District No. 2
Balance Sheet - Governmental Funds and Account Groups
September 30, 2020

See Accountant's Compilation Report

| | General <u>Fund</u> | Capital Projects <u>Fund</u> | Debt Service <u>Fund</u> | Account <u>Groups</u> | Total <u>All Funds</u> |
|--|------------------------|------------------------------------|--------------------------------|--------------------------|---------------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Checking | \$ 66,748 | \$ - | \$ - | \$ - | \$ 66,748 |
| Colotrust | 1,474,427 | 182 | 5 | - | 1,474,614 |
| UMB | - | 1,432,776 | 7,411,197 | - | 8,843,973 |
| Taxes due from County | 11,897 | - | - | - | 11,897 |
| Sales Taxes Receivable | - | - | 366,624 | - | 366,624 |
| Account Receivable -Other | 13,125 | - | - | - | 13,125 |
| Due (to)/from other funds | 154,637 | (152,426) | (2,211) | - | - |
| Prepaid expenses | 450 | - | - | - | 450 |
| | <u>1,721,284</u> | <u>1,280,532</u> | <u>7,775,615</u> | <u>-</u> | <u>10,777,431</u> |
| Other assets | | | | | |
| Fixed assets | - | - | - | 10,259,348 | 10,259,348 |
| Amount available in debt service fund | - | - | - | 7,775,615 | 7,775,615 |
| Amount to be provided for retirement of debt | - | - | - | 49,311,385 | 49,311,385 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>67,346,348</u> | <u>67,346,348</u> |
| | <u>\$ 1,721,284</u> | <u>\$ 1,280,532</u> | <u>\$ 7,775,615</u> | <u>\$ 67,346,348</u> | <u>\$ 78,123,779</u> |
| Liabilities and Equity | | | | | |
| Current liabilities | | | | | |
| Accounts payable | \$ 15,036 | \$ 15,363 | \$ - | \$ - | \$ 30,399 |
| Payroll taxes payable | 632 | - | - | - | 632 |
| | <u>15,668</u> | <u>15,363</u> | <u>-</u> | <u>-</u> | <u>31,031</u> |
| Long Term liabilities | | | | | |
| General Obligation Bonds - 2016A | - | - | - | 47,500,000 | 47,500,000 |
| General Obligation Bonds - 2016B | - | - | - | 9,587,000 | 9,587,000 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>57,087,000</u> | <u>57,118,031</u> |
| Total liabilities | <u>15,668</u> | <u>15,363</u> | <u>-</u> | <u>57,087,000</u> | <u>57,118,031</u> |
| Fund Equity | | | | | |
| Investment in fixed assets | - | - | - | 10,259,348 | 10,259,348 |
| Fund balance (deficit) | 1,705,616 | 1,265,169 | 7,775,615 | - | 10,746,400 |
| | <u>1,705,616</u> | <u>1,265,169</u> | <u>7,775,615</u> | <u>10,259,348</u> | <u>21,005,748</u> |
| | <u>\$ 1,721,284</u> | <u>\$ 1,280,532</u> | <u>\$ 7,775,615</u> | <u>\$ 67,346,348</u> | <u>\$ 78,123,779</u> |

MidCities Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Governmental Funds
For the Nine Months Ended September 30, 2020
General Fund

See Accountant's Compilation Report

| | <u>Annual</u> <u>Budget</u> | <u>Actual</u> | <u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u> |
|---|--------------------------------|---------------------|---|
| Revenues | | | |
| Property taxes | \$ 137,553 | \$ 136,966 | \$ (587) |
| Specific ownership taxes | 135,916 | 102,318 | (33,598) |
| PILOT revenue | 125,000 | 107,631 | (17,369) |
| Interest Income | 25,000 | 10,820 | (14,180) |
| Miscellaneous Income | 3,000 | - | (3,000) |
| | <u>426,469</u> | <u>357,735</u> | <u>(68,734)</u> |
| Expenditures | | | |
| Accounting | 25,000 | 14,440 | 10,560 |
| District Management | 45,000 | 16,761 | 28,239 |
| Audit | 4,800 | 4,838 | (38) |
| Director's Fees | 3,600 | 2,300 | 1,300 |
| Election Expense | 5,000 | 1,243 | 3,757 |
| Insurance/SDA | 31,000 | 26,643 | 4,357 |
| Legal | 25,000 | 35,923 | (10,923) |
| Engineering | 5,000 | 46,989 | (41,989) |
| Miscellaneous Expense | 1,000 | 1,144 | (144) |
| Payroll Taxes | 300 | 176 | 124 |
| Treasurer's fees | 2,063 | 2,056 | 7 |
| Property Mgt/FOA | 100,000 | 56,502 | 43,498 |
| Repairs and Maintenance | 50,000 | - | 50,000 |
| Contingency | 1,549,279 | - | 1,549,279 |
| Emergency reserve | 8,933 | - | 8,933 |
| | <u>1,855,975</u> | <u>209,015</u> | <u>1,646,960</u> |
| Excess (deficiency) of revenues over expenditures | (1,429,506) | 148,720 | 1,578,226 |
| Fund balance beginning | <u>1,429,506</u> | <u>1,556,896</u> | <u>127,390</u> |
| Fund balance ending | <u>\$ -</u> | <u>\$ 1,705,616</u> | <u>\$ 1,705,616</u> |

MidCities Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Governmental Funds
For the Nine Months Ended September 30, 2020
Capital Projects Fund
See Accountant's Compilation Report

| | <u>Annual Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|--------------------------|---------------------|---|
| Revenues | | | |
| Interest Income | \$ 30,000 | \$ 7,610 | \$ (22,390) |
| | <u>30,000</u> | <u>7,610</u> | <u>(22,390)</u> |
| Expenditures | | | |
| Trails | 350,000 | - | 350,000 |
| Legal | 45,000 | 15,199 | 29,801 |
| District Management | 5,000 | 1,802 | 3,198 |
| Engineering | 75,000 | - | 75,000 |
| Parking Garage Structure | 700,000 | 73,680 | 626,320 |
| Retaining Wall - Greystar | - | 95,574 | (95,574) |
| Retaining Wall - 505 Zang Street | 175,000 | - | 175,000 |
| Miscellaneous Improvements | 105,000 | - | 105,000 |
| | <u>1,455,000</u> | <u>186,255</u> | <u>1,268,745</u> |
| Excess (deficiency) of revenues over expenditures | (1,425,000) | (178,645) | 1,246,355 |
| Fund balance beginning | <u>1,425,000</u> | <u>1,443,814</u> | <u>18,814</u> |
| Fund balance (deficit) ending | <u>\$ -</u> | <u>\$ 1,265,169</u> | <u>\$ 1,265,169</u> |

MidCities Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Governmental Funds
For the Nine Months Ended September 30, 2020
Debt Service Fund
See Accountant's Compilation Report

| | <u>Annual</u> <u>Budget</u> | <u>Actual</u> | <u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u> |
|--|--------------------------------|---------------------|---|
| Revenues | | | |
| Property Taxes | \$ 1,783,661 | \$ 1,776,042 | \$ (7,619) |
| Property Taxes - Greystar | 271,374 | 271,374 | - |
| Property Taxes - Pathfinder Exclusion | 20,163 | 20,163 | - |
| Property Taxes - Filing 15 | 93,782 | 93,782 | - |
| Property Taxes - CPIII Exclusion | 148,071 | 148,071 | - |
| Sales Tax Revenue | 2,600,000 | 1,580,539 | (1,019,461) |
| Interest Income | 80,000 | 29,813 | (50,187) |
| | <u>4,997,051</u> | <u>3,919,784</u> | <u>(1,077,267)</u> |
| Expenditures | | | |
| 2016A Bond and SWAP Interest | 1,680,550 | 1,250,172 | 430,378 |
| 2016A Bond Principal | 1,375,000 | - | 1,375,000 |
| 2016B Bond Interest | 900,000 | - | 900,000 |
| Investment Advisor | 5,000 | - | 5,000 |
| Trustee/Paying Agent Fees | 10,500 | 8,480 | 2,020 |
| Miscellaneous | 5,000 | - | 5,000 |
| Treasurer's Fees | 34,932 | 34,658 | 274 |
| | <u>4,010,982</u> | <u>1,293,310</u> | <u>2,717,672</u> |
| Excess (deficiency) of revenues over expenditures | 986,069 | 2,626,474 | 1,640,405 |
| Fund balance beginning | <u>4,667,485</u> | <u>5,149,141</u> | <u>481,656</u> |
| Fund balance (deficit) ending | <u>\$ 5,653,554</u> | <u>\$ 7,775,615</u> | <u>\$ 2,122,061</u> |

MIDCITIES METROPOLITAN DISTRICT NO. 2

SALES & USE TAX REVENUE COMPARISON

| Accrual Basis Collections | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | 2020 | | | |
|--|------------------|------------------|------------------|------------------|------------------|--------------------------|--------|------------------------|--------|
| | | | | | | Month. Var. from 2019 | % | Cum. Var. from 2019 | % |
| <u>Sales Tax</u> | | | | | | | | | |
| January | 144,138 | 153,069 | 170,777 | 174,708 | 181,318 | 6,610 | 3.9% | 6,610 | 3.8% |
| February | 144,178 | 143,474 | 158,948 | 166,310 | 176,744 | 10,434 | 6.3% | 17,044 | 5.0% |
| March | 150,734 | 165,726 | 193,834 | 189,931 | 182,364 | (7,567) | -4.0% | 9,477 | 1.8% |
| April | 157,156 | 168,652 | 185,564 | 86,745 | 144,427 | 57,682 | 66.5% | 67,159 | 10.9% |
| May | 181,870 | 190,739 | 208,369 | 451,652 | 170,219 | (281,433) | -62.3% | (214,274) | -20.0% |
| June | 184,835 | 197,701 | 214,456 | 209,280 | 172,307 | (36,973) | -17.7% | (251,247) | -19.6% |
| July | 182,595 | 195,958 | 214,928 | 293,741 | 182,796 | (110,945) | -37.8% | (362,192) | -23.0% |
| August | 185,713 | 208,436 | 226,142 | 231,261 | 178,697 | (52,564) | -22.7% | (414,756) | -23.0% |
| September | 171,839 | 194,445 | 198,761 | 212,109 | 185,949 | (26,160) | -12.3% | (440,915) | -21.9% |
| October | 179,684 | 191,391 | 205,093 | 217,294 | - | - | 0.0% | - | 0.0% |
| November | 170,282 | 178,699 | 192,352 | 188,820 | - | - | 0.0% | - | 0.0% |
| December | 193,250 | 213,847 | 215,607 | 201,279 | - | - | 0.0% | - | 0.0% |
| Subtotal Sales Tax | 2,046,275 | 2,202,139 | 2,384,831 | 2,623,129 | 1,574,820 | (440,915) | | - | -19.6% |
| <u>Use Tax</u> | 145,730 | 58,486 | 14,740 | 277,988 | 1,601 | | | \$ (276,387) | -99.4% |
| <u>Special Warranty Deed - Shortfall Payments</u> | | | | | | | | | |
| Salon Republic (HREG-Flatiron, LLC) | | | | | | | | | |
| 1st Quarter | 13,125 | 13,125 | 13,125 | 13,125 | 13,125 | | | | |
| 2nd Quarter | 13,125 | 13,125 | 13,125 | 13,125 | 13,125 | | | | |
| 3rd Quarter | 13,125 | 13,125 | 13,125 | 13,125 | 13,125 | | | | |
| 4th Quarter | 13,125 | 13,124 | 13,125 | 13,125 | 13,125 | | | | |
| Total Use Tax, and PILOT | 198,230 | 110,985 | 67,240 | 330,488 | 40,976 | | | | |
| TOTAL REVENUE | 2,244,505 | 2,313,124 | 2,452,071 | 2,953,617 | 1,615,797 | | | | |

October 27, 2020

MidCities Metropolitan District No. 2
c/o Simmons & Wheeler, P.C.
304 Inverness Way South, Suite 490
Englewood, CO 80112

We are pleased to serve as the independent auditors for MidCities Metropolitan District No. 2 (“Client”) for the year ended December 31, 2020. This letter, together with the attached Terms and Conditions – Attest Engagements, confirms the terms of our engagement.

We will audit Client’s financial statements, the related notes to the financial statements, and, if applicable, supplementary information.

Fees

Our fees for this engagement will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of Client, the fee for this engagement will be \$4350. Expenses for items such as travel, telephone, postage, clerical time, printing, and reproduction of financial statements are included in the fee. Our fee has been determined based on our understanding obtained through discussions with you regarding your preparation for the engagement and your current business operations. To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We expect payment of our billings within 30 days after submission.

Audit Objective

The objective of our audit is the expression of an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States (“GAAP”). Our audit will be conducted in accordance with auditing standards generally accepted in the United States (“GAAS”) and will include tests of Client’s accounting records and other procedures we consider necessary to enable us to express such an opinion.

We cannot perform management functions or make management decisions on behalf of Client. However, we may provide advice and recommendations to assist management in performing its functions and fulfilling its responsibilities. We may advise management about appropriate accounting principles and their application, but the responsibility for the financial statements remains with management.

Audit Procedures, Limitations, and Independence

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Our audit will include obtaining an understanding of Client and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements, and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and you internal control related matters that are required to be communicated under professional standards.

Because of the inherent limitations of an audit combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there exists an unavoidable risk that some material misstatements may exist and not be detected even though our audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of law or government regulations that do not have a direct and material effect on the financial statements. However, we will inform Client management and you of any material errors that come to our attention and any fraud, material or not, that comes to our attention. We will also inform Client management and you of any violations of law or government regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

The supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with GAAS, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of Client's financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with Client management and you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Professional and certain regulatory standards require us to be independent in both fact and appearance. Any discussions that you have with Wipfli personnel regarding employment could pose a threat to our independence. Therefore, we request that you inform us immediately prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

In order for us to remain independent, professional and regulatory standards require us to maintain certain respective roles and relationships with you with respect to any nonattest services we may be asked to perform. Prior to performing such services in conjunction with our audit, management must acknowledge its acceptance of certain responsibilities.

Responsibilities of Management

Management is responsible for the financial statements, the related notes to financial statement and, if applicable, the supplementary information, and underlying financial records and for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with GAAP. Management is also responsible for making all financial records and related information available to us, for the accuracy and completeness of that information, and for providing us with (a) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of the audit, and (c) unrestricted access to persons within Client from whom we determine it necessary to obtain audit evidence.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the preparation of the supplementary information in conformity with GAAP. Management agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting Client involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting Client received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that Client complies with applicable laws and regulations.

As required by GAAS, at the close of the audit we will request from management certain written confirmation concerning oral and written representations made to us in connection with the audit in order to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding.

Because of the importance of management's representations to an effective audit, Client agrees to release and indemnify Wipfli LLP, its partners, employees, agents, and assigns from any liability, cost, or expense relating to our services under this Letter attributable to any knowing misrepresentation by management. The preceding sentence shall not apply and shall be of no effect in the event its application, in the judgment of any government body or regulatory agency, would impair our independence as your auditor.

If Client intends to reproduce or publish these financial statements or any portion thereof, whether in paper or electronic form, subsequent to anticipated year-end filings, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. Client agrees to compensate Wipfli for the time associated with such review.

Client acknowledges and agrees that any advice, recommendations, information, or work product provided to Client by Wipfli in connection with this engagement is for the sole use of Client and may not be relied upon by any third party. Wipfli has no liability or responsibility to any third parties as a result of this engagement.

Management Assistance

Assistance to be supplied by Client personnel, including the preparation of schedules and analysis of accounts, will be discussed with management. Timely completion of this work will facilitate the completion of our engagement.

Other Services

We may prepare (or assist in preparing) Client financial statements in conformity with GAAP based on information provided by management, but the responsibility for the financial statements remains with management.

Management is responsible for assuming all management responsibilities and for overseeing these services by designating an individual, preferably within senior management, with suitable skill, knowledge, and/or experience. Management is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for them.

Illegal Aliens: We certify that Wipfli LLP shall comply with the provisions of C.R.S. 8-17.5-101, et seq.

- A. *Employment or Contracting with Illegal Aliens.* We certify that Wipfli LLP does not knowingly employ or contract with an illegal alien to perform work under this engagement letter, or will enter into a contract with a subcontractor that fails to certify to Wipfli LLP that such subcontractor does not knowingly employ or contract with an illegal alien to perform work under this engagement letter.
- B. *Verification Regarding Illegal Aliens.* We certify that Wipfli LLP has verified the employment eligibility of all employees who are newly hired for employment, to perform the work under this engagement letter, through participation in either the Electronic Employment Verification Program, or Employment Verification Program which is established pursuant to Section 8-17.5-102 (5)(c), C.R.S., (collectively referred to as "Verification Programs").
- C. *Limitation Regarding Verification Programs.* We agree that Wipfli LLP will use the Verification Programs to undertake pre-employment screening of job applicants while performing professional services on behalf of the District.
- D. *Duty to Terminate Subcontractor:* If Wipfli LLP obtains actual knowledge that a subcontractor performing work pursuant to this engagement letter knowingly employs or contracts with an illegal alien, Wipfli LLP shall:

October 27, 2020

(i) notify the subcontractor and the District within three (3) days that Wipfli LLP has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(ii) terminate the subcontract with the subcontractor if, within three (3) days of receiving notice required pursuant to C.R.S. 8-17.5-102(2)(b)(III)(A) that Wipfli LLP has actual knowledge that the subcontractor is employing or contracting with an illegal alien, the subcontractor does not stop employing or contracting with the illegal alien.

Wipfli LLP shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

- E. *Duty to Comply with Investigation.* Wipfli LLP shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation that the Colorado Department of Labor and Employment is undertaking pursuant to the authority established by C.R.S. 8-17.5-102(5).
- F. *Notification.* The District shall notify the office of the Colorado Secretary of State if Wipfli LLP violates a provision of C.R.S. 8-17.5-102(2), and the District terminates the engagement for such breach. The District will notify the Colorado Secretary of State if a court made such a determination.
- G. *Participation in Employment Verification Program.* Wipfli LLP shall notify the District of its participation in the Employment Verification Program and shall comply with the requirements of C.R.S § 8-17.5-102(5)(c).

Other

Greg Livin will be your audit engagement partner.

If the above terms are acceptable to you and the services outlined are in accordance with your requirements, please return a signed copy of this Letter to us.

We look forward to our continued association with you and management and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.



Wipfli LLP

MidCities Metropolitan District No. 2

Page 6

October 27, 2020

ACCEPTED: MIDCITIES METROPOLITAN DISTRICT NO. 2

By: _____

(Print Name and Title)

Date: _____

GL

Enc.

Revision Date (02/24/20)

<I:\2020\A&A Department\Metro Districts\Engagement Letters\2020 Metro District Engagement Letters\2020 EL Templates\S&W MD Engagement Letter - w proposed CO special district language.docx>

Wipfli LLP
Engagement Letter
Terms and Conditions – Attest Engagements

1. Entire Agreement

These Terms and Conditions, together with the engagement letter (“Engagement Letter”) to which these Terms and Conditions are attached, and the Engagement Letter’s other appendixes, if any, constitute the entire agreement between the parties on the subject matter thereof and supersede and merge all prior proposals (including prior proposals of Wipfli regarding the engagement), understandings, and agreements (oral or written) between the parties relating to the subject matter, including, without limitation, the terms of any request for proposal issued to Client or the standard printed terms on any purchase order issued by Client. No modification, amendment, supplement to, or waiver of these Terms and Conditions or Engagement Letter shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of the Engagement Letter, its Appendixes (including these Terms and Conditions), and any other exhibit, attachment, schedule, or other document referenced in or by the Engagement Letter shall be read together and harmonized to give effect to the parties’ intent. In the event of a direct conflict between the Terms and Conditions and the provisions of an Engagement Letter issued by Wipfli, the Engagement Letter will apply.

2. Commencement and Term

An Engagement Letter shall become effective when signed by duly authorized representatives of both parties and shall remain in full force and effect until the services to be delivered under the Engagement Letter are complete (as reasonably determined by Wipfli) unless earlier terminated by either party as provided in the Engagement Letter or these Terms and Conditions. Each person executing an Engagement Letter on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing same.

3. Fee Estimates and Change Orders

Wipfli’s Engagement Letter may set forth certain ranges for Wipfli’s fees charged on any project or work. Wipfli provides fee estimates as an accommodation to Client. Unless otherwise indicated in the Engagement Letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli’s actual fees may vary from its fee estimates.

If, during the course of Wipfli’s engagement, Wipfli determines that more work will be required than initially estimated, Wipfli will discuss, as soon as possible, the reasons with Client. Work that falls outside the agreed-upon scope of Wipfli’s engagement shall be covered by a Change Order. Service completion times are estimated and subject to change. Where applicable, all such estimates assume that Client’s hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Such estimates also include necessary and reasonable cooperation from client personnel.

Unless otherwise agreed in the Engagement Letter, miscellaneous expenses incurred by Wipfli in the course of performing the services will be charged in addition to Wipfli’s professional fees. Miscellaneous expenses may include, but are not limited to: travel, lodging, transportation, and meals for projects requiring travel; clerical processing; telecommunications charges; delivery expenses; and all sales, use, ad valorem, excise, or other taxes or other governmental charges.

4. Fees

Unless otherwise agreed, all invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on Client’s balance due to Wipfli that is outstanding over thirty (30) days. At our discretion, work may be suspended if Client’s account becomes overdue and will not be resumed until Client’s account is paid in full. Client acknowledges and agrees that we are not required to continue work in the event of a failure to pay on a timely basis for services rendered as required. Client further acknowledges and agrees that in the event Wipfli stops work or withdraws from this engagement as a result of

Client’s failure to pay on a timely basis for services rendered as required by this Engagement Letter, Wipfli will not be liable to Client for any damages that occur as a result of our ceasing to render services.

In the event Client requests us to, or we are required to, respond to a subpoena, court order, government regulatory inquiries, or other legal process against Client or management for the production of documents and/or testimony relative to information Wipfli obtained and/or prepared during the course of this or any prior engagements, Client agrees to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs that we incur.

5. Independent Contractor

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties.

6. Non-Exclusivity

No right of exclusivity is granted, guaranteed, or implied by Wipfli and Client entering into any Engagement Letter. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

7. Privacy and Engagement Staffing

Wipfli expressly reserves the right to replace, in its sole discretion upon notice to Client, any of our professional project team members, as necessary, to provide quality and timely service to Client. From time to time, and depending upon circumstances, Wipfli may use third-party service providers, such as independent contractors, specialists, or vendors to assist us in providing professional services, including tax services. We may also use personnel from affiliates of Wipfli and other Wipfli-related entities (including our wholly-owned Indian subsidiary and contractors in the Philippines) or any of their respective affiliates. These entities and their personnel may be located within or outside the United States. In addition, Wipfli may utilize third-party service providers, including cloud-based service providers, who may collect, use, transfer, transmit, store, or otherwise process Client information in connection with the delivery of certain services. Wipfli is committed to maintaining the confidentiality and security of Client’s information, and accordingly, Wipfli maintains policies, procedures and safeguards to protect the confidentiality of Client information. In addition, our agreements with all service providers appropriately maintain and protect the confidentiality of Client information, provided we may use electronic media to transmit Client information and such use in itself will not constitute a breach of any confidentiality obligation. We remain responsible to Client for the supervision of all service providers, entities, and personnel who assist us in rendering professional services hereunder and for protecting the confidentiality of Client information. Client hereby consents and authorizes us to disclose Client information to the foregoing entities and parties for the purpose of providing professional services, including tax services, to Client.

Wipfli is committed to protecting personal information that can be linked to specific individuals, including health information (“Personal Data”) and will maintain such Personal Data in confidence in accordance with professional standards and governing laws. Client will not provide any Personal Data to Wipfli unless necessary to perform professional services described in the engagement letter. When providing any Personal Data to us, Client will comply with all applicable laws (both foreign and domestic) and will anonymize, mask, obfuscate, and/or de-identify, if reasonably possible, all Personal Data that is not necessary to perform the professional services described in the engagement letter. Any Personal Data provided to us by Client will be kept confidential and not disclosed to any third party not described above (parties providing us assistance in rendering professional services) unless expressly permitted by Client or required by law, regulation, legal process, or professional standards. Client is responsible for obtaining, pursuant to law or regulation, consents from parties that provided Client with their personal information, which will be obtained, used, and disclosed by Wipfli for its required purposes.

For additional information related to client personal information, please see Wipfli’s Privacy Statement located at www.wipfli.com/privacy-statement.

Wipfli LLP
Engagement Letter
Terms and Conditions – Attest Engagements

8. Wipfli Owners

Some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services related to this engagement.

9. Intellectual Property Rights

Client acknowledges that Wipfli owns all intellectual property rights, title, and interest to all information provided or developed throughout the duration of this engagement. Any use of this material, other than for the stated purposes in this Engagement Letter, is not authorized. In addition, Client shall not alter or remove any of Wipfli's trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of Wipfli's goods, marketing material, or advertising media, and shall not in any way alter any of Wipfli's products. Client shall promptly notify Wipfli in writing of any infringement of Wipfli's intellectual property by third parties of which Client becomes aware. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process and other information shall be solely and exclusively the property of the originating party.

10. Governing Law

All agreements between Wipfli and Client for any service shall be governed by and construed in accordance with the internal laws of the state in which the Wipfli office which issues the Engagement Letter related to the services is located.

11. Severability

In the event that any term or provision of the Engagement Letter or these Terms and Conditions shall be held to be invalid, void, or unenforceable, then the remainder shall not be affected and each remaining term or condition shall be valid and enforceable to the fullest extent permitted by law.

12. Record Retention

We will retain records related to this engagement pursuant to our record retention policy. At the end of the relevant time period, we will destroy our records related to this engagement. However, original records will be returned to Client upon the completion of the engagement. When records are returned, it is Client's responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

13. Termination

An Engagement Letter may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements set forth in an Engagement Letter (except when such default is due to a cause beyond the control of the party) and such default is not cured within thirty (30) days after notice from either party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days written notice. Termination of an Engagement Letter shall have no effect on either party's obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination.

Wipfli has the right to withdraw from this engagement, at our discretion, if Client does not provide us with the information we request in a timely manner, refuses to cooperate with our reasonable requests, or misrepresents any facts. Our withdrawal will release us from any obligation to complete the engagement and will constitute completion of our engagement. Client agrees to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

14. Assignment

The Engagement Letter to which these Terms and Conditions are attached shall be binding on the parties hereto and their respective successors and assigns. Neither party may assign this Engagement Letter without prior written consent of the other, except that Wipfli may assign its rights and obligations under this Engagement Letter without the approval of Client to an entity that acquires all or substantially all of the assets of Wipfli or to any subsidiary or affiliate or successor in a merger, acquisition, or change of control of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations under this Engagement Letter.

CERTIFICATION OF VALUES

Name of Jurisdiction: MIDCITIES METRO DIST 2 GEN

New District:

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S. The total Assessed Valuations for taxable year 2020
In Broomfield County On 10/08/2020 Are:

| | |
|---|--------------|
| Previous Year's Net Total Assessed Valuation: | \$45,851,277 |
| Current Year's Gross Total Assessed Valuation: | \$46,448,510 |
| (-) Less TIF district increment, if any: | \$0 |
| Current Year's Net Total Assessed Valuation: | \$46,448,510 |
| New Construction*: | \$649,600 |
| Increased Production of Producing Mines**: | \$0 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Previously Exempt Federal Property**: | \$0 |
| New Primary Oil or Gas production from any Oil and Gas leasehold or land (29-1-301(1)(b) C.R.S.)***: | \$0 |
| Taxes Received last year on omitted property as of August 1 (29-1-301(1)(a) C.R.S.) Includes all revenue collected on valuation not previously certified: | \$0.00 |
| Taxes Abated or Refunded as of August 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.): | \$297.15 |

This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.

** Jurisdiction must submit to the Division of Local Government respective Certification of Impact in order for a value to be treated as growth in the limit calculation; use forms (DLG52 & 52A).

*** Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use forms (DLG 52B).

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

In accordance with the Art. X, Sec. 20, Colorado Constitution and 39-5-121(2)(b), C.R.S. The Actual Valuations for the taxable year 2020
In Broomfield County On 10/08/2020 Are:

| | |
|--|---------------|
| Current Year's Total Actual Value of All Real Property*: | \$149,621,780 |
| ADDITIONS TO TAXABLE REAL PROPERTY: | |
| Construction of taxable real property improvements**: | \$2,240,000 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Increased Mining Production***: | \$0 |
| Previously exempt property: | \$0 |
| Oil or Gas production from a new well: | \$0 |
| Taxable real property omitted from the previous year's tax warrant. (Only the most current year value can be reported): | \$0 |
| DELETIONS FROM TAXABLE REAL PROPERTY: | |
| Destruction of taxable property improvements. | \$0 |
| Disconnections/Exclusions: | \$0 |
| Previously Taxable Property: | \$0 |

* This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

** Construction is defined as newly constructed taxable real property structures.

*** Includes production from a new mine and increases in production of a producing mine.

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2020

CERTIFICATION OF VALUES

Name of Jurisdiction: MIDCITIES METRO DIST 2 ABATE

New District:

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S. The total Assessed Valuations for taxable year 2020
 In Broomfield County On 10/08/2020 Are:

| | |
|---|--------------|
| Previous Year's Net Total Assessed Valuation: | \$45,851,277 |
| Current Year's Gross Total Assessed Valuation: | \$46,448,510 |
| (-) Less TIF district increment, if any: | \$0 |
| Current Year's Net Total Assessed Valuation: | \$46,448,510 |
| New Construction*: | \$649,600 |
| Increased Production of Producing Mines**: | \$0 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Previously Exempt Federal Property**: | \$0 |
| New Primary Oil or Gas production from any Oil and Gas leasehold or land (29-1-301(1)(b) C.R.S.)***: | \$0 |
| Taxes Received last year on omitted property as of August 1 (29-1-301(1)(a) C.R.S.) Includes all revenue collected on valuation not previously certified: | \$0.00 |
| Taxes Abated or Refunded as of August 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.): | \$14.55 |

This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.

** Jurisdiction must submit to the Division of Local Government respective Certification of Impact in order for a value to be treated as growth in the limit calculation; use forms (DLG52 & 52A).

*** Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use forms (DLG 52B).

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

In accordance with the Art. X, Sec. 20, Colorado Constitution and 39-5-121(2)(b), C.R.S. The Actual Valuations for the taxable year 2020
 In Broomfield County On 10/08/2020 Are:

| | |
|--|---------------|
| Current Year's Total Actual Value of All Real Property*: | \$149,621,780 |
| ADDITIONS TO TAXABLE REAL PROPERTY: | |
| Construction of taxable real property improvements**: | \$2,240,000 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Increased Mining Production***: | \$0 |
| Previously exempt property: | \$0 |
| Oil or Gas production from a new well: | \$0 |
| Taxable real property omitted from the previous year's tax warrant. (Only the most current year value can be reported): | \$0 |
| DELETIONS FROM TAXABLE REAL PROPERTY: | |
| Destruction of taxable property improvements. | \$0 |
| Disconnections/Exclusions: | \$0 |
| Previously Taxable Property: | \$0 |

* This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

** Construction is defined as newly constructed taxable real property structures.

*** Includes production from a new mine and increases in production of a producing mine.

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2020

CERTIFICATION OF VALUES

Name of Jurisdiction: MIDCITIES METRO DIST 2 BOND

New District:

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S. The total Assessed Valuations for taxable year 2020
In **Broomfield County** On 10/08/2020 Are:

| | |
|---|--------------|
| Previous Year's Net Total Assessed Valuation: | \$45,851,277 |
| Current Year's Gross Total Assessed Valuation: | \$46,448,510 |
| (-) Less TIF district increment, if any: | \$0 |
| Current Year's Net Total Assessed Valuation: | \$46,448,510 |
| New Construction*: | \$649,600 |
| Increased Production of Producing Mines**: | \$0 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Previously Exempt Federal Property**: | \$0 |
| New Primary Oil or Gas production from any Oil and Gas leasehold or land (29-1-301(1)(b) C.R.S.)***: | \$0 |
| Taxes Received last year on omitted property as of August 1 (29-1-301(1)(a) C.R.S.) Includes all revenue collected on valuation not previously certified: | \$0.00 |
| Taxes Abated or Refunded as of August 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.): | \$0.00 |

This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.

** Jurisdiction must submit to the Division of Local Government respective Certification of Impact in order for a value to be treated as growth in the limit calculation; use forms (DLG52 & 52A).

*** Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use forms (DLG 52B).

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

In accordance with the Art. X, Sec. 20, Colorado Constitution and 39-5-121(2)(b), C.R.S. The Actual Valuations for the taxable year 2020
In **Broomfield County** On 10/08/2020 Are:

| | |
|--|---------------|
| Current Year's Total Actual Value of All Real Property*: | \$149,621,780 |
| ADDITIONS TO TAXABLE REAL PROPERTY: | |
| Construction of taxable real property improvements**: | \$2,240,000 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Increased Mining Production***: | \$0 |
| Previously exempt property: | \$0 |
| Oil or Gas production from a new well: | \$0 |
| Taxable real property omitted from the previous year's tax warrant. (Only the most current year value can be reported): | \$0 |
| DELETIONS FROM TAXABLE REAL PROPERTY: | |
| Destruction of taxable property improvements. | \$0 |
| Disconnections/Exclusions: | \$0 |
| Previously Taxable Property: | \$0 |

* This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

** Construction is defined as newly constructed taxable real property structures.

*** Includes production from a new mine and increases in production of a producing mine.

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2020

CERTIFICATION OF VALUES

Name of Jurisdiction: MIDCITIES METRO DIST 2 CONTR OBL

New District:

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S. The total Assessed Valuations for taxable year 2020
In Broomfield County On 10/08/2020 Are:

| | |
|---|--------------|
| Previous Year's Net Total Assessed Valuation: | \$45,851,277 |
| Current Year's Gross Total Assessed Valuation: | \$46,448,510 |
| (-) Less TIF district increment, if any: | \$0 |
| Current Year's Net Total Assessed Valuation: | \$46,448,510 |
| New Construction*: | \$649,600 |
| Increased Production of Producing Mines**: | \$0 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Previously Exempt Federal Property**: | \$0 |
| New Primary Oil or Gas production from any Oil and Gas leasehold or land (29-1-301(1)(b) C.R.S.)***: | \$0 |
| Taxes Received last year on omitted property as of August 1 (29-1-301(1)(a) C.R.S.) Includes all revenue collected on valuation not previously certified: | \$0.00 |
| Taxes Abated or Refunded as of August 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.): | \$3,853.13 |

This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.

** Jurisdiction must submit to the Division of Local Government respective Certification of Impact in order for a value to be treated as growth in the limit calculation; use forms (DLG52 & 52A).

*** Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use forms (DLG 52B).

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

In accordance with the Art. X, Sec. 20, Colorado Constitution and 39-5-121(2)(b), C.R.S. The Actual Valuations for the taxable year 2020
In Broomfield County On 10/08/2020 Are:

| | |
|--|---------------|
| Current Year's Total Actual Value of All Real Property*: | \$149,621,780 |
| ADDITIONS TO TAXABLE REAL PROPERTY: Construction of taxable real property improvements**: | \$2,240,000 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Increased Mining Production***: | \$0 |
| Previously exempt property: | \$0 |
| Oil or Gas production from a new well: | \$0 |
| Taxable real property omitted from the previous year's tax warrant. (Only the most current year value can be reported): | \$0 |
| DELETIONS FROM TAXABLE REAL PROPERTY: Destruction of taxable property improvements. | \$0 |
| Disconnections/Exclusions: | \$0 |
| Previously Taxable Property: | \$0 |

* This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

** Construction is defined as newly constructed taxable real property structures.

*** Includes production from a new mine and increases in production of a producing mine.

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2020

CERTIFICATION OF VALUES

Name of Jurisdiction: MIDCITIES METRO DIST 2 CPIII EXCLUSN ORD CONTR OBL

New District:

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S. The total Assessed Valuations for taxable year 2020
In Broomfield County On 10/08/2020 Are:

| | |
|---|-------------|
| Previous Year's Net Total Assessed Valuation: | \$3,896,598 |
| Current Year's Gross Total Assessed Valuation: | \$3,892,920 |
| (-) Less TIF district increment, if any: | \$0 |
| Current Year's Net Total Assessed Valuation: | \$3,892,920 |
| New Construction*: | \$0 |
| Increased Production of Producing Mines**: | \$0 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Previously Exempt Federal Property**: | \$0 |
| New Primary Oil or Gas production from any Oil and Gas leasehold or land (29-1-301(1)(b) C.R.S.)***: | \$0 |
| Taxes Received last year on omitted property as of August 1 (29-1-301(1)(a) C.R.S.) Includes all revenue collected on valuation not previously certified: | \$0.00 |
| Taxes Abated or Refunded as of August 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.): | \$0.00 |

This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.

** Jurisdiction must submit to the Division of Local Government respective Certification of Impact in order for a value to be treated as growth in the limit calculation; use forms (DLG52 & 52A).

*** Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use forms (DLG 52B).

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

In accordance with the Art. X, Sec. 20, Colorado Constitution and 39-5-121(2)(b), C.R.S. The Actual Valuations for the taxable year 2020
In Broomfield County On 10/08/2020 Are:

| | |
|--|--------------|
| Current Year's Total Actual Value of All Real Property*: | \$53,900,070 |
| ADDITIONS TO TAXABLE REAL PROPERTY: Construction of taxable real property improvements**: | \$0 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Increased Mining Production***: | \$0 |
| Previously exempt property: | \$0 |
| Oil or Gas production from a new well: | \$0 |
| Taxable real property omitted from the previous year's tax warrant. (Only the most current year value can be reported): | \$0 |
| DELETIONS FROM TAXABLE REAL PROPERTY: Destruction of taxable property improvements. | \$0 |
| Disconnections/Exclusions: | \$0 |
| Previously Taxable Property: | \$0 |

* This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

** Construction is defined as newly constructed taxable real property structures.

*** Includes production from a new mine and increases in production of a producing mine.

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2020

CERTIFICATION OF VALUES

Name of Jurisdiction: MIDCITIES METRO DIST 2 EX ORD GREYSTAR CONTR OBL New District:

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S. The total Assessed Valuations for taxable year 2020
In Broomfield County On 10/08/2020 Are:

| | |
|---|-------------|
| Previous Year's Net Total Assessed Valuation: | \$8,789,436 |
| Current Year's Gross Total Assessed Valuation: | \$8,830,860 |
| (-) Less TIF district increment, if any: | \$0 |
| Current Year's Net Total Assessed Valuation: | \$8,830,860 |
| New Construction*: | \$0 |
| Increased Production of Producing Mines**: | \$0 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Previously Exempt Federal Property**: | \$0 |
| New Primary Oil or Gas production from any Oil and Gas leasehold or land (29-1-301(1)(b) C.R.S.)***: | \$0 |
| Taxes Received last year on omitted property as of August 1 (29-1-301(1)(a) C.R.S.) Includes all revenue collected on valuation not previously certified: | \$0.00 |
| Taxes Abated or Refunded as of August 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.): | \$0.00 |

This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.

** Jurisdiction must submit to the Division of Local Government respective Certification of Impact in order for a value to be treated as growth in the limit calculation; use forms (DLG52 & 52A).

*** Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use forms (DLG 52B).

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

In accordance with the Art. X, Sec. 20, Colorado Constitution and 39-5-121(2)(b), C.R.S. The Actual Valuations for the taxable year 2020
In Broomfield County On 10/08/2020 Are:

| | |
|--|---------------|
| Current Year's Total Actual Value of All Real Property*: | \$119,003,000 |
| ADDITIONS TO TAXABLE REAL PROPERTY: Construction of taxable real property improvements**: | \$0 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Increased Mining Production***: | \$0 |
| Previously exempt property: | \$0 |
| Oil or Gas production from a new well: | \$0 |
| Taxable real property omitted from the previous year's tax warrant. (Only the most current year value can be reported): | \$0 |
| DELETIONS FROM TAXABLE REAL PROPERTY: Destruction of taxable property improvements. | \$0 |
| Disconnections/Exclusions: | \$0 |
| Previously Taxable Property: | \$0 |

* This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

** Construction is defined as newly constructed taxable real property structures.

*** Includes production from a new mine and increases in production of a producing mine.

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2020

CERTIFICATION OF VALUES

Name of Jurisdiction: MIDCITIES METRO DIST 2 PATHFINDER EXCL

New District:

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S. The total Assessed Valuations for taxable year 2020
In Broomfield County On 10/08/2020 Are:

| | |
|---|-------------|
| Previous Year's Net Total Assessed Valuation: | \$530,610 |
| Current Year's Gross Total Assessed Valuation: | \$2,702,230 |
| (-) Less TIF district increment, if any: | \$0 |
| Current Year's Net Total Assessed Valuation: | \$2,702,230 |
| New Construction*: | \$1,981,690 |
| Increased Production of Producing Mines**: | \$0 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Previously Exempt Federal Property**: | \$0 |
| New Primary Oil or Gas production from any Oil and Gas leasehold or land (29-1-301(1)(b) C.R.S.)***: | \$0 |
| Taxes Received last year on omitted property as of August 1 (29-1-301(1)(a) C.R.S.) Includes all revenue collected on valuation not previously certified: | \$0.00 |
| Taxes Abated or Refunded as of August 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.): | \$0.00 |

This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.

** Jurisdiction must submit to the Division of Local Government respective Certification of Impact in order for a value to be treated as growth in the limit calculation; use forms (DLG52 & 52A).

*** Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use forms (DLG 52B).

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

In accordance with the Art. X, Sec. 20, Colorado Constitution and 39-5-121(2)(b), C.R.S. The Actual Valuations for the taxable year 2020
In Broomfield County On 10/08/2020 Are:

| | |
|--|--------------|
| Current Year's Total Actual Value of All Real Property*: | \$35,137,830 |
| ADDITIONS TO TAXABLE REAL PROPERTY: Construction of taxable real property improvements**: | \$27,716,000 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Increased Mining Production***: | \$0 |
| Previously exempt property: | \$0 |
| Oil or Gas production from a new well: | \$0 |
| Taxable real property omitted from the previous year's tax warrant. (Only the most current year value can be reported): | \$0 |
| DELETIONS FROM TAXABLE REAL PROPERTY: Destruction of taxable property improvements. | \$0 |
| Disconnections/Exclusions: | \$0 |
| Previously Taxable Property: | \$0 |

* This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

** Construction is defined as newly constructed taxable real property structures.

*** Includes production from a new mine and increases in production of a producing mine.

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2020

CERTIFICATION OF VALUES

Name of Jurisdiction: MIDCITIES METRO DIST 2 PATHF EXCL CONTR OBL

New District:

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S. The total Assessed Valuations for taxable year 2020
In Broomfield County On 10/08/2020 Are:

| | |
|---|-------------|
| Previous Year's Net Total Assessed Valuation: | \$530,610 |
| Current Year's Gross Total Assessed Valuation: | \$2,702,230 |
| (-) Less TIF district increment, if any: | \$0 |
| Current Year's Net Total Assessed Valuation: | \$2,702,230 |
| New Construction*: | \$1,981,690 |
| Increased Production of Producing Mines**: | \$0 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Previously Exempt Federal Property**: | \$0 |
| New Primary Oil or Gas production from any Oil and Gas leasehold or land (29-1-301(1)(b) C.R.S.)***: | \$0 |
| Taxes Received last year on omitted property as of August 1 (29-1-301(1)(a) C.R.S.) Includes all revenue collected on valuation not previously certified: | \$0.00 |
| Taxes Abated or Refunded as of August 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.): | \$0.00 |

This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.

** Jurisdiction must submit to the Division of Local Government respective Certification of Impact in order for a value to be treated as growth in the limit calculation; use forms (DLG52 & 52A).

*** Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use forms (DLG 52B).

USE FOR 'LABOR' LOCAL GROWTH CALCULATIONS ONLY

In accordance with the Art. X, Sec. 20, Colorado Constitution and 39-5-121(2)(b), C.R.S. The Actual Valuations for the taxable year 2020
In Broomfield County On 10/08/2020 Are:

| | |
|--|--------------|
| Current Year's Total Actual Value of All Real Property*: | \$35,137,830 |
| ADDITIONS TO TAXABLE REAL PROPERTY: Construction of taxable real property improvements**: | \$27,716,000 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Increased Mining Production***: | \$0 |
| Previously exempt property: | \$0 |
| Oil or Gas production from a new well: | \$0 |
| Taxable real property omitted from the previous year's tax warrant. (Only the most current year value can be reported): | \$0 |
| DELETIONS FROM TAXABLE REAL PROPERTY: Destruction of taxable property improvements. | \$0 |
| Disconnections/Exclusions: | \$0 |
| Previously Taxable Property: | \$0 |

* This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

** Construction is defined as newly constructed taxable real property structures.

*** Includes production from a new mine and increases in production of a producing mine.

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2020

MidCities Metropolitan District No. 2
Proposed Budget
General Fund
For the Year ended December 31, 2021

| | Actual <u>2019</u> | Adopted Budget <u>2020</u> | Actual <u>6/30/2020</u> | Estimate <u>2020</u> | Proposed Budget <u>2021</u> |
|--------------------------|-----------------------|----------------------------------|----------------------------|-------------------------|-----------------------------------|
| Beginning fund balance | \$ 1,297,539 | \$ 1,429,506 | \$ 1,556,896 | \$ 1,556,896 | \$ 1,569,742 |
| Revenues: | | | | | |
| Property Taxes | 144,095 | 137,553 | 134,524 | 137,553 | 139,329 |
| Specific Ownership Taxes | 144,685 | 135,916 | 60,513 | 120,000 | 120,000 |
| PILOT Revenues | 123,978 | 125,000 | 94,506 | 120,756 | 120,000 |
| Interest Income | 30,527 | 25,000 | 9,554 | 19,000 | 20,000 |
| Miscellaneous Income | - | 3,000 | - | 1,000 | 1,000 |
| | <u>443,285</u> | <u>426,469</u> | <u>299,097</u> | <u>398,309</u> | <u>400,329</u> |
| Total revenues | | | | | |
| | <u>443,285</u> | <u>426,469</u> | <u>299,097</u> | <u>398,309</u> | <u>400,329</u> |
| Total funds available | <u>1,740,824</u> | <u>1,855,975</u> | <u>1,855,993</u> | <u>1,955,205</u> | <u>1,970,071</u> |
| Expenditures: | | | | | |
| Accounting | 18,393 | 25,000 | 10,577 | 25,000 | 26,000 |
| District Management | 26,449 | 45,000 | 13,848 | 45,000 | 45,000 |
| Audit | 4,264 | 4,800 | 560 | 4,800 | 5,000 |
| Director's Fees | 2,100 | 3,600 | 1,800 | 3,600 | 3,600 |
| Election Expense | 28 | 5,000 | 1,104 | 1,200 | - |
| Insurance/SDA | 29,399 | 31,000 | 26,643 | 27,000 | 28,000 |
| Legal | 16,297 | 25,000 | 27,898 | 55,000 | 50,000 |
| Engineering | 12,181 | 5,000 | 46,989 | 70,000 | 10,000 |
| Miscellaneous Expense | 387 | 1,000 | 788 | 1,500 | 2,000 |
| Payroll Taxes | 447 | 300 | 138 | 300 | 300 |
| Treasurer's Fees | 2,163 | 2,063 | 2,018 | 2,063 | 2,090 |
| Property Management/FOA | 63,011 | 100,000 | 35,472 | 100,000 | 100,000 |
| Repairs and Maintenance | 8,809 | 50,000 | - | 50,000 | 50,000 |
| Contingency | - | 1,549,279 | - | - | 1,638,421 |
| Emergency Reserve (3%) | - | 8,933 | - | - | 9,660 |
| | <u>183,928</u> | <u>1,855,975</u> | <u>167,835</u> | <u>385,463</u> | <u>1,970,071</u> |
| Total expenditures | | | | | |
| | <u>183,928</u> | <u>1,855,975</u> | <u>167,835</u> | <u>385,463</u> | <u>1,970,071</u> |
| Ending fund balance | <u>\$ 1,556,896</u> | <u>\$ -</u> | <u>\$ 1,688,158</u> | <u>\$ 1,569,742</u> | <u>\$ -</u> |
| Assessed valuation | | <u>\$ 45,851,277</u> | | | <u>\$ 46,443,000</u> |
| Mill Levy | | 3.000 | | | 3.000 |
| Abatement Mill Levy | | - | | | - |
| Total Mill Levy | | <u>3.000</u> | | | <u>3.000</u> |

MidCities Metropolitan District No. 2
Proposed Budget
Capital Projects Fund
For the Year ended December 31, 2021

| | Actual <u>2019</u> | Adopted Budget <u>2020</u> | Actual <u>6/30/2019</u> | Estimate <u>2020</u> | Proposed Budget <u>2020</u> |
|----------------------------|-----------------------|----------------------------------|----------------------------|-------------------------|-----------------------------------|
| Beginning fund balance | \$ 1,598,507 | \$ 1,425,000 | \$ 1,443,814 | \$ 1,443,814 | \$ 525,000 |
| Revenues: | | | | | |
| Interest income | <u>29,713</u> | <u>30,000</u> | <u>6,981</u> | <u>14,000</u> | <u>15,000</u> |
| Total revenues | <u>29,713</u> | <u>30,000</u> | <u>6,981</u> | <u>14,000</u> | <u>15,000</u> |
| Total funds available | <u>1,628,220</u> | <u>1,455,000</u> | <u>1,450,795</u> | <u>1,457,814</u> | <u>540,000</u> |
| Expenditures: | | | | | |
| Trails | - | 350,000 | - | - | 350,000 |
| Legal | - | 45,000 | 6,684 | 15,000 | - |
| District Management | - | 5,000 | 1,802 | 5,000 | - |
| Engineering | - | 75,000 | - | 75,000 | - |
| Parking Garage Structure | 184,406 | 700,000 | 36,175 | 700,000 | - |
| Retaining Wall | | | | | |
| Graystar | - | - | 95,574 | 120,000 | - |
| 505 Zang Street | - | 175,000 | - | - | 175,000 |
| Miscellaneous Improvements | <u>-</u> | <u>105,000</u> | <u>-</u> | <u>17,814</u> | <u>15,000</u> |
| Total expenditures | <u>184,406</u> | <u>1,455,000</u> | <u>140,235</u> | <u>932,814</u> | <u>540,000</u> |
| Ending fund balance | <u>\$ 1,443,814</u> | <u>\$ -</u> | <u>\$ 1,310,560</u> | <u>\$ 525,000</u> | <u>\$ -</u> |

MidCities Metropolitan District No. 2
Proposed Budget
Debt Service Fund
For the Year ended December 31, 2021

| | Actual <u>2019</u> | Adopted Budget <u>2020</u> | Actual <u>6/30/2020</u> | Estimate <u>2020</u> | Proposed Budget <u>2021</u> |
|---------------------------------------|---------------------------|----------------------------------|----------------------------|-------------------------|-----------------------------------|
| Beginning fund balance | \$ 3,917,840 | \$ 4,667,485 | \$ 5,149,141 | \$ 5,149,141 | \$ 5,605,210 |
| Revenues: | | | | | |
| Property Taxes | 1,640,805 | 1,783,661 | 1,744,373 | 1,783,661 | 1,806,679 |
| Property Taxes - Greystar | 235,140 | 271,374 | 271,374 | 271,374 | 272,413 |
| Property Taxes - Pathfinder Exclusion | 18,058 | 20,163 | 20,163 | 20,163 | 98,901 |
| Property Taxes - Filing 15 | 93,504 | 93,782 | 93,782 | 93,782 | 94,102 |
| Property Taxes - CPIII Exclusion | 131,697 | 148,071 | 148,071 | 148,071 | 147,883 |
| Bond Proceeds | - | - | - | - | 45,000,000 |
| Sales Tax Revenue | 2,652,812 | 2,600,000 | 1,030,703 | 2,100,000 | 2,200,000 |
| Interest income | 108,291 | 80,000 | 25,757 | 50,000 | 50,000 |
| Total revenues | <u>4,880,307</u> | <u>4,997,051</u> | <u>3,334,223</u> | <u>4,467,051</u> | <u>49,669,978</u> |
| Total funds available | <u>8,798,147</u> | <u>9,664,536</u> | <u>8,483,364</u> | <u>9,616,192</u> | <u>55,275,188</u> |
| Expenditures: | | | | | |
| 2016A Loan and Swap Interest | 1,708,694 | 1,680,550 | 832,594 | 1,680,550 | 1,627,444 |
| 2016A Loan Principal | 1,275,000 | 1,375,000 | - | 1,375,000 | 46,125,000 |
| 2016B Bond Interest | 617,500 | 900,000 | - | 900,000 | 900,000 |
| 2016B Bond Principal | - | - | - | - | - |
| Investment Advisor | 5,000 | 5,000 | - | 5,000 | 5,000 |
| Bond Issuance Costs | - | - | - | - | 1,350,000 |
| Trustee /Paying Agent Fees | 11,004 | 10,500 | 8,480 | 10,500 | 10,500 |
| Miscellaneous | - | 5,000 | - | 5,000 | 5,000 |
| Treasurer's fees | 31,808 | 34,932 | 34,169 | 34,932 | 36,300 |
| Total expenditures | <u>3,649,006</u> | <u>4,010,982</u> | <u>875,243</u> | <u>4,010,982</u> | <u>50,059,244</u> |
| Ending fund balance | <u>\$ 5,149,141</u> | <u>\$ 5,653,554</u> | <u>\$ 7,608,121</u> | <u>\$ 5,605,210</u> | <u>\$ 5,215,944</u> |
| Assessed valuation | Debt Service | <u>\$ 45,851,277</u> | Debt Service | <u>\$ 46,443,000</u> | |
| | DSF-Greystar Excl | <u>\$ 8,789,436</u> | DSF-Greystar Excl | <u>\$ 8,823,100</u> | |
| | Pathfinder Exclusion | <u>\$ 530,610</u> | Pathfinder Exclusion | <u>\$ 2,602,670</u> | |
| | DSF - Filing 15 Exclusion | <u>\$ 2,467,950</u> | DSF - Filing 15 Exclusion | <u>\$ 2,476,380</u> | |
| | CPIII Exclusion | <u>\$ 3,896,598</u> | CPIII Exclusion | <u>\$ 3,891,670</u> | |
| Total Debt Mill Levy | Debt Service | <u>38.901</u> | Debt Service | <u>38.901</u> | |
| | DSF-Greystar Excl | <u>30.875</u> | DSF-Greystar Excl | <u>30.875</u> | |
| | DSF - Filing 15 Exclusion | <u>38.000</u> | DSF - Filing 15 Exclusion | <u>38.000</u> | |
| | Pathfinder Exclusion | <u>38.000</u> | Pathfinder Exclusion | <u>38.000</u> | |
| | CPIII Exclusion | <u>38.000</u> | CPIII Exclusion | <u>38.000</u> | |
| Total Mill Levy | | <u>41.901</u> | | <u>41.901</u> | |

RESOLUTION NO 2020 – 11-__
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2
TO ADOPT THE 2021 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the MidCities Metropolitan District No. 2 (“District”) has appointed the District Accountant to prepare and submit a proposed 2021 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2020, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 17, 2020, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the MidCities Metropolitan District No. 2:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the MidCities Metropolitan District No. 2 for the 2021 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 17th day of November, 2020.

Secretary

(SEAL)

EXHIBIT A
(Budget)

I, David Solin, hereby certify that I am the duly appointed Secretary of the MidCities Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2021, duly adopted at a meeting of the Board of Directors of the MidCities Metropolitan District No. 2 held on November 17, 2020.

By: _____
Secretary

RESOLUTION NO. 2020-11-__
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Midcities Metropolitan District No. 2 has adopted the annual budget in accordance with the Local Government Budget Law on November 17, 2020; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is \$_____; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is \$_____; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligations from property tax revenue is \$_____, and

WHEREAS, the amount of money necessary to balance the budget for recapturing refunds and abatements for general fund expenses from property tax revenue is \$_____, and

WHEREAS, the amount of money necessary to balance the budget for recapturing refunds and abatements for debt service fund expenses from property tax revenue is \$_____, and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses for the Greystar Exclusion from property tax revenue is \$_____ for contractual obligations; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses for the Filing 15 Exclusion from property tax revenue is \$_____ for contractual obligations; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses for the Pathfinder Exclusion from property tax revenue is \$_____ for contractual obligations; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses for the CP III Flatirons Exclusion from property tax revenue is \$_____ for contractual obligations; and

WHEREAS, the 2020 valuation for assessment for the District, as certified by the Assessor for the City and County of Broomfield, is \$_____ for the District, \$_____ for the Greystar Exclusion, \$_____ for the Filing 15 Exclusion, \$_____ for the Pathfinder Exclusion and \$_____ for the CP III Flatirons Exclusion.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Midcities Metropolitan District No. 2:

1. That for the purposes of meeting all general fund expenses of the District during the 2021 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation for assessment of all taxable property within the District, to raise \$_____ in revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2021 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation for assessment of all taxable property within the District, to raise \$_____ in revenue.

3. That for the purposes of meeting all contractual obligations of the District during the 2021 budget year there is hereby levied a tax of _____ mills upon each dollar of the total valuation for assessment of all taxable property within the District, to raise \$_____ in revenue.

4. That for the purposes of meeting all debt service fund expenses and contractual obligations of the District during the 2021 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation for assessment of all taxable property within the Greystar Exclusion, to raise \$_____ in revenue.

5. That for the purposes of meeting all debt service fund expenses and contractual obligations of the District during the 2021 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation for assessment of all taxable property within the Filing 15 Exclusion, to raise \$_____ in revenue.

6. That for the purposes of meeting all debt service fund expenses and contractual obligations of the District during the 2021 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation for assessment of all taxable property within the Pathfinder Exclusion, to raise \$_____ in revenue.

7. That for the purposes of meeting all debt service fund expenses and contractual obligations of the District during the 2021 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation for assessment of all taxable property within the CP III Flatirons Exclusion, to raise \$_____ in revenue.

8. That the Accountant of the District is hereby authorized and directed to immediately certify to the City Council of the City and County of Broomfield, Colorado, the mill levies for the District as hereinabove determined and set forth in the District's Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by this reference), but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 17th day of November, 2020.

By: _____
Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)