

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE STC METROPOLITAN DISTRICT NO. 2 HELD OCTOBER 3, 2018

A Regular Meeting of the Board of Directors (referred to hereafter as the "Board") of the STC Metropolitan District No. 2 (referred to hereafter as the "District") was convened on Wednesday, the 3rd day of October, 2018, at 9:00 A.M., at the offices of McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

James A. Brzostowicz
Bob Revis
Angie Hulsebus

Also In Attendance Were:

Lisa A. Johnson and Peggy Ripko; Special District Management Services, Inc.

Megan Becher, Esq.; McGeady Becher P.C.

Mark Chambers; Simmons & Wheeler, P.C.

Bill Jencks, and Jessica Sergi (via speakerphone); Ranch Capital, LLC

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board noted it was in receipt of disclosures of potential conflicts of interest statements for each of the Directors and that the statements had been filed with the Secretary of State at least seventy-two hours in advance of the meeting. Ms. Johnson requested that the Directors review the Agenda for the meeting and advised the Board to disclose any new conflicts of interest which had not been previously disclosed. No further disclosures were made by Directors present at the meeting.

ADMINISTRATIVE MATTERS

Agenda: Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the District's Regular Meeting.

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

RECORD OF PROCEEDINGS

Confirm Location of Meeting, Posting of Meeting Notices and Quorum: Ms. Johnson confirmed the presence of a quorum. The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Revis and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries or within 20 miles of its boundaries to conduct this meeting, the meeting would be conducted at the above-stated location. The Board further noted that the notice of the time, date and location was duly posted and that no objections to the location or any requests that the meeting place be changed were received from taxpaying electors within its boundaries.

CONSENT AGENDA

The Board considered the following actions:

- Approve Minutes of the September 5, 2018 Regular Meeting.
- Ratify approval of Vargas Property Services, Inc. for 2018/2019 snow removal services (enclosure).
- Change Order No. 11, Superior Town Center - Phase 1 Final Plan Sidewalks/Parking/Landscaping under the Contract between the District and SAMORA Construction.
- Change Order No. 2, Village Green Park under the Contract between the District and SAMORA Construction.
- Change Order No. 3, Superior Town Center – FDP 2/FDP 3 Phase 1 South Courtyard under the Contract between the District and SAMORA Construction.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Revis and, upon vote, unanimously carried, the Board approved and/or ratified approval of, as appropriate, the above actions.

FINANCIAL MATTERS

Claims: The Board considered approval of the payment of claims as follows:

Fund	Period Ending Sept. 24, 2018
General	\$ 20,831.21
Debt	\$ -0-
Capital	\$ 10,457.11
Total	\$ 31,288.32

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Revis and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as amended. The Capital Fund was adjusted due to invoice #38080 being billed to the wrong District. The following amended payment of claims was approved:

Fund	Period Ending Sept. 24, 2018
General	\$ 20,831.21
Debt	\$ -0-
Capital	\$ 8,337.11
Total	\$ 29,168.32

Unaudited Financial Statements: Mr. Chambers presented the unaudited financial statements for the period ending August 31, 2018 and the updated schedule of cash position for the period ending August 31, 2018.

Following review, upon motion duly made by Director Revis, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending August 31, 2018 and the updated schedule of cash position for the period ending August 31, 2018.

2017 Audit: The Board considered ratifying acceptance of the 2017 Audit.

Following discussion, upon motion duly made by Director Revis, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board ratified acceptance of 2017 Audit.

LEGAL MATTERS

Status of First Amendment to Facilities Funding and Acquisition Agreement between the District and RC Superior, LLC: Attorney Becher reported to the Board that the First Amendment to Facilities Funding and Acquisition Agreement was approved and finalized.

Parking Garage Conveyance: Attorney Becher reported that the Parking Garage Conveyance is almost finalized. Closing is set for the week of October 8, 2018.

Colorado Department of Public Health and Environment (“CDPHE”)– Stormwater Management Plan: Ms. Johnson reported to the Board that the Colorado Department of Public Health and Environment has preapproved the SEP Project. A meeting has been scheduled for October 9, 2018 to discuss final approval and final fine amount of the SEP Project.

Rules and Regulations: The Board deferred discussion.

RECORD OF PROCEEDINGS

County Remittance Issue: Mr. Chambers noted that he continues to work on the remittance matter. He advised the Board that it seems the matter can be rectified by the end of the year.

Engagement Letter of Legal Counsel- Nathan, Dumm, & Mayer, P.C: The Board considered ratifying approval of Engagement Letter for Limited Retention of legal counsel, Nathan, Dumm & Mayer, P.C. regarding third party subpoena between JD Enterprises and Hall-Irwin and the Guarantee Company of North America.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Revis and, upon vote, unanimously carried, the Board ratified approval of Engagement Letter for Limited Retention of legal counsel, Nathan, Dumm & Mayer, P.C. regarding third party subpoena between JD Enterprises and Hall-Irwin and the Guarantee Company of North America.

Receipt of and Response of Third Party Subpoena to Produce: Ms. Johnson noted that Nathan, Dumm & Mayer, P.C. is working through the issue and no executive session was necessary.

OPERATIONS / MAINTENANCE

Resolution Regarding Imposition of Fees and Updated Operations and Maintenance Analysis: Ms. Ripko presented to the Board the updated Operations and Maintenance Analysis. The Board of Directors discussed revisions. Ms. Ripko will work with the developer on projected lot closings for the next few years and work with Mr. Chambers to finalize the Operations and Maintenance Budget to present to the Board at the November Meeting.

Proposals for 2018-2019 Landscape Maintenance Services Contract: Ms. Ripko will present proposals to the Board for 2019 landscape maintenance services once they are received.

CAPITAL PROJECTS

Final Engineer's Report and Certification No. 38 prepared on August 23, 2018: Ms. Johnson reviewed with the Board the improvement costs under the Final Engineer's Report and Certification #38, dated August 23, 2018, prepared by Manhard Consulting, Ltd.

Following discussion, upon motion duly made by Director Revis, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board accepted the improvement costs in the approximate amount of \$790,429.34 under that certain Final Engineer's Report and Certification #38, dated August 23, 2018, prepared by Manhard Consulting, Ltd.

RECORD OF PROCEEDINGS

Final Engineer's Report and Certification No. 39 prepared on September 26, 2018: Ms. Johnson reviewed with the Board the improvement costs under the Final Engineer's Report and Certification #39, dated September 26, 2018, prepared by Manhard Consulting, Ltd.

Following discussion, upon motion duly made by Director Revis, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board accepted the improvement costs in the approximate amount of \$1,008,881.48 under that certain Final Engineer's Report and Certification #39, dated September 26, 2018, prepared by Manhard Consulting, Ltd.

Change Order No. 4, Superior Town Center – FDP 2/FDP 3 Phase 1 South Courtyard under the Contract between the District and SAMORA Construction: Director Revis reviewed with the Board Change Order No. 4, Superior Town Center – FDP 2/FDP 3 Phase 1 South Courtyard under the Contract between the District and SAMORA Construction in the amount of \$18,180.15.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Revis, and, upon vote, unanimously carried, the Board approved Change Order No. 4 Superior Town Center – FDP 2/FDP 3 Phase 1 South Courtyard under the Contract between the District and SAMORA Construction in the amount of \$18,180.15.

DEVELOPER UPDATE

Lot and Home Sales: Mr. Jencks provided an update on lot and home sales. He noted that 450 homes are scheduled to be approved by Town Board by the end of Summer 2019.

OTHER MATTERS


Resignation of Director: The resignation of Director Revis effective as of October 24, 2018 was acknowledged.

ADJOURNMENT

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


Respectfully submitted,

By _____


Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES ARE APPROVED AS THE OFFICIAL OCTOBER 3, 2018
MINUTES OF THE STC METROPOLITAN DISTRICT NO. 2 BY THE BOARD
OF DIRECTORS SIGNING BELOW:



James A. Brzostowicz

~~Bob Revis~~



Angie Hulsebus