

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE STC METROPOLITAN DISTRICT NO. 2 HELD NOVEMBER 4, 2020

A Special 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 4th day of November, 2020, at 9:00 A.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. There was one person present at the physical location at the offices of Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado. The meeting was open to the public via conference call and Zoom.

ATTENDANCE

Directors In Attendance Were:

James A. Brzostowicz
Angie Hulsebus
Terry Willis

Also In Attendance Were:

Guy "Anthony" Harrigan- District 1 Board member (for a portion of the meeting)
Peggy Ripko and Matt Cohrs; Special District Management Services, Inc. ("SDMS")
Megan Becher, Esq. and Kate Olson, Esq.; McGeady Becher P.C.
Bill Flynn; Simmons & Wheeler, P.C.
Bill Jenks and Jessica Sergi; Ranch Capital, LLC
Steph Chichester, Meredith Clinkinbeard and Nick Taylor- North Slope Capital Advisors (for a portion of the meeting)
Mike McGinnis and Andrew Rubin - Greenberg Traurig, LLP (for a portion of the meeting)
Mike Ryan- D.A. Davidson & Co. (for a portion of the meeting)

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. Ripko 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.

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ADMINISTRATIVE MATTERS

Agenda: Ms. Ripko noted a quorum was present. The Board reviewed the proposed Agenda for the District's Special Meeting.

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

Location of Meeting and Posting of Meeting Notices: 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. 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, the meeting would be held by telephonic means, and encouraged public participation via telephone. The Board further noted that notice of the time, date and location/manner of the meeting was duly posted and that that no objections to the telephonic manner of the meeting, or any requests that the telephonic manner of the meeting be changed by taxpaying electors within the District boundaries have been received.

Minutes: The Board reviewed the Minutes of the October 7, 2020 special meeting.

Following discussion, upon motion duly made by Director Brzostowicz seconded by Director Willis and, upon vote, unanimously carried, the Board approved the Minutes of the October 7, 2020 special meeting.

Resolution No. 2020-11-01; Establishing 2021 Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices: The Board discussed Resolution No. 2020-11-01; Establishing 2021 Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-01; Establishing 2021 Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices and scheduled regular meetings for 2021 as follows: first Wednesday of every month at 9:00 a.m. at the offices of McGeady Becher P.C., 450 E 17th Avenue, Suite 400, Denver, Colorado.

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2021: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2021. The required Transparency Notice will be posted on the Special District Association website and the District website in 2021.

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**PUBLIC
COMMENTS**

Director Harrigan asked for an update on commercial development, which Mr. Jenks provided.

**FINANCIAL
MATTERS**

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

Fund	Period Ending October. 19, 2020
General	\$ 35,926.43-
Debt	\$ -0-
Capital	\$ 4,204.00
Total	\$ 39,315.13

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

Unaudited Financial Statements: Mr. Flynn presented to the Board the unaudited financial statements for the period ending September 30, 2020.

Following review and discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending September 30, 2020.

2020 Audit Preparation: Mr. Flynn reviewed with the Board the Audit Engagement Letter from Dazzio & Associates, P.C. to perform the 2020 Audit.

Following review and discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board approved the engagement of Dazzio & Associates, P.C. to perform the 2020 Audit for an amount not to exceed \$6,000.

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

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2020 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. There were no comments from the public in attendance and the public hearing was closed.

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It was noted that an amendment to the 2020 Budget was not needed.

2021 Budget Hearing: The Board opened the public hearing to consider the proposed 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2021 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

No public comments were received and the public hearing was closed.

Mr. Flynn reviewed the estimated 2020 expenditures and the proposed 2021 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2020-11-02; Resolution to Adopt the 2021 Budget and Appropriate Sums of Money, and Resolution No. 2020-11-02; Resolution to Set Mill Levies, for the General Fund at 10.000 mills and the Debt Service Fund at 35.000 mills, for a total mill levy of 45.000 mills. Upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board adopted the Resolutions, as discussed, and authorized execution of the Certification of Budget and Certification of Mill Levies, subject to receipt of the final Certification of Assessed Valuation from the County on or before December 10, 2020. Mr. Flynn was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Boulder County not later than December 15, 2020. Mr. Flynn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2021. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

Resolution Authorizing the Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3: The Board discussed Resolution Authorizing the Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3.

Following discussion, it was determined that this resolution is not needed.

DLG-70 Mill Levy Certification Form: The Board considered 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.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board authorized the

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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.

2022 Budget Preparation: The Board discussed the preparation of the 2022 Budget.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2022 Budget as prepared in 2021 unless otherwise instructed.

LEGAL MATTERS

First Amendment to Amended and Restated Facilities Funding and Acquisition Agreement between the STC Metropolitan District No. 2 (“District”) and RC Superior, LLC: The Board deferred discussion.

External Financial Advisor Certification prepared by North Slope Capital Advisors: Ms. Chichester and Mr. Taylor presented to the Board an External Financial Advisor Certification prepared by North Slope Capital Advisors.

Following review and discussion by the Board, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board accepted the External Financial Advisor Certification prepared by North Slope Capital Advisors.

Junior Limited Tax General Obligation Bond, Series 2020C in the maximum principal amount of approximately \$16,215,000 and Taxable Junior Limited Tax General Obligation Bond, Series 2020D in the maximum principal amount of approximately \$18,958,000 and consider adoption of a Resolution authorizing the issuance of the District’s proposed Junior Limited Tax General Obligation Bond, Series 2020C in the maximum principal amount of approximately \$16,215,000 and Taxable Junior Limited Tax General Obligation Bond, Series 2020D in the maximum principal amount of approximately \$18,958,000; authorize approval and execution of the Indenture of Trust (Junior), and any other documents, certificates, and instruments as may be necessary or required to effect the issuance of the 2020C and 2020D Bonds:

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board adopted the Resolution authorizing the issuance of the District’s Junior Limited Tax General Obligation Bond, Series 2020C in the maximum principal amount of approximately \$16,215,000 and Taxable Junior Limited Tax General Obligation Bond, Series 2020D in the maximum principal amount of approximately \$18,958,000; authorized approval and execution of the Indenture of Trust (Junior), and any other documents,

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certificates, and instruments as may be necessary or required to effect the issuance of the 2020C and 2020D Bonds.

Discuss Sidewalk Easement: The Board deferred discussion.

OPERATIONS AND MAINTENANCE

Operating Projections: The Board discussed the projections and requested Ms. Ripko to update the forecasted operating budgets for years 2020 through 2025.

Discuss 2021 Services: No discussion.

COVENANT CONTROL

Community Manager's Update: The Board reviewed the Community Manager's Report.

CAPITAL PROJECTS

Final Engineer's Report and Certification #65 dated, October 22, 2020: Ms. Ripko reviewed with the Board the improvement costs in the amount of \$556,353.51, under the Final Engineer's Report and Certification #65, dated October 22, 2020, prepared by Ranger Engineering, LLC.

Following discussion, upon motion duly made by Director Brostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board accepted the improvement costs in the amount of \$556,353.51, under the Final Engineer's Report and Certification #65, dated October 22, 2020, prepared by Ranger Engineering, LLC.

DEVELOPER UPDATE

An update was given to the Board on the status of lot and home sales.

OTHER MATTERS

None.

ADJOURNMENT

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

Respectfully submitted,

By Peggy Ripko
Secretary for the Meeting