

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE STC METROPOLITAN DISTRICT NO. 2 HELD NOVEMBER 6, 2019

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 6th day of November, 2019, 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
Angie Hulsebus
Terry Willis

Also In Attendance Were:

Lisa A. Johnson and Peggy Ripko; Special District Management Services, Inc. ("SDMS")

Megan Becher, Esq. and Kate Olson, Esq.; McGeady Becher P.C.

Diane Wheeler; Simmons & Wheeler, P.C.

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

David Andrews; Edifice North, 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.

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

Confirm Quorum, Location of Meeting and Posting of Meeting Notices: 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 Hulsebus, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within the District's boundaries, or within the County which the District is located, or within 20 miles of the District's 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 of the meeting 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 the District's boundaries.

Resolution No. 2019-11-01; Establishing 2020 Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices: The Board discussed Resolution No. 2019-11-01; Establishing 2020 Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

Following discussion, upon motion duly made by Director Hulsebus, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-01; Establishing 2020 Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

§32-1-809, C.R.S. (Transparency Notice) Reporting Requirements, Mode of Eligible Elector Notification for 2020: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2020. The required Transparency Notice will be posted on the SDA website and the District website in 2020.

CONSENT AGENDA

The Board considered the following actions:

- Approve Minutes of the October 2, 2019 Regular Meeting.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board approved the above actions, as presented.

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FINANCIAL MATTERS

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

Fund	Period Ending Oct. 31, 2019
General	\$ 28,508.59
Debt	\$ -0-
Capital	\$ 47,028.58
Total	\$ 75,537.17

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

Unaudited Financial Statements: Ms. Wheeler discussed with the Board the unaudited financial statements through the period ending September 30, 2019.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through the period ending September 30, 2019.

Operation and Maintenance Budget Forecast: Ms. Wheeler presented to the Board the operations and maintenance budget forecast. The Board reviewed and discussed the forecast. Ms. Wheeler noted that the operations and maintenance budget forecast continues to be a work in progress.

2019 Audit Preparation: Ms. Johnson reviewed with the Board the Audit Engagement Letter from Dazzio & Associates, PC to perform the 2019 Audit.

Following review and discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board approved the engagement of Dazzio & Associates, PC to perform the 2019 Audit, for an amount not to exceed \$6,000.

2019 Budget Amendment Hearing: The President opened the public hearing to consider amending the 2019 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 2019 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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Following review and discussion, Director Brzostowicz moved to adopt the Resolution to Amend 2019 Budget, Director Hulsebus seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-02 to Amend the 2019 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2020 Budget Hearing: The Board opened the public hearing to consider the proposed 2020 Budget and discuss related issues.

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

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

Ms. Wheeler reviewed the estimated 2019 expenditures and the proposed 2020 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2019-11-03; Resolution to Adopt the 2020 Budget and Appropriate Sums of Money, and Resolution No. 2019-11-04; 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 Hulsebus 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, 2019. Ms. Johnson was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Boulder County not later than December 15, 2019. Ms. Johnson was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2020. 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 a Resolution Authorizing the Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3.

Following discussion, the Board determined that a Gallagher Resolution was 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.

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Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

2021 Budget Preparation: The Board discussed the preparation of the 2021 Budget.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2021 Budget.

LEGAL MATTERS

Resolution Calling the May 5, 2020 Regular Election: The Board discussed the upcoming election and Resolution No. 2019-11-05 Calling the May 5, 2020 Election.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-05 Calling the May 5, 2020 Election and appointed Lisa A. Johnson as the Designated Election Official and authorized her to perform all tasks required for the May 5, 2020 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2019 Refunding and Improvement Bonds: Attorney Becher presented the Board with an update on the status of the 2019 Refunding and Improvement Bonds.

OPERATIONS / MAINTENANCE

Service Agreement with Edifice North, LLC for Project Management Services: The Board deferred action at this time.

COMMUNITY MANAGEMENT/ COVENANT CONTROL

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

Homeowner's Request for a Variance as it relates to Short-Term Rental Options: Ms. Ripko presented to the Board a Homeowner's request for a variance as it relates to short-term rental options.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board denied the Homeowner's request for a variance as it relates to short-term rental options based on section 7.24a of the Master Declaration of the Covenant Control, Conditions, and Restrictions for Superior Town Center.

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Responsibilities Associated with Proposed Declaration of Covenants, Conditions and Restrictions for Discovery Residential at Superior Town Center: The Board reviewed the enforcement of responsibilities associated with proposed Declaration of Covenants, Conditions and Restrictions for Discovery Residential.

Following review and discussion, upon motion duly made by Director Hulsebus, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board accepted the enforcement of responsibilities associated with proposed Declaration of Covenants, Conditions and Restrictions for Discovery Residential at Superior Town Center.

Change Order No. 03 to Service Agreement with Vargas Property Services, Inc. for Purchase and Install of one (1) New Pet Station: The Board discussed Change Order No. 03 to Service Agreement with Vargas Property Services, Inc. for purchase and install of one (1) new pet station in the amount of \$425.00.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board approved Change Order No. 03 to Service Agreement with Vargas Property Services, Inc. for purchase and install of one (1) new pet station in the amount of \$425.00.

CAPITAL PROJECTS

Final Engineer's Report and Certification #52 R1 dated, September 25, 2019 and revised October 29, 2019: Ms. Johnson reviewed with the Board the improvement costs in the amount of \$438,346.69 under the Final Engineer's Report and Certification #52 R1, dated September 25, 2019 and revised October 29, 2019, prepared by Ranger Engineering, LLC.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board accepted the improvement costs in the amount of \$438,346.69 under the Final Engineer's Report and Certification #52 R1, dated September 25, 2019 and revised October 29, 2019, prepared by Ranger Engineering, LLC.

Final Engineer's Report and Certification #53 dated, October 29, 2019: Ms. Johnson reviewed with the Board the improvement costs in the amount of \$1,627,039.73 under the Final Engineer's Report and Certification #53, dated October 29, 2019, prepared by Ranger Engineering, LLC.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board accepted the improvement costs in the amount of \$1,627,039.73 under the Final Engineer's Report and Certification #53, dated October 29, 2019, prepared by Ranger Engineering, LLC.

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Proposal for Construction Management for FDP 1 Phase 9 from CFC Construction: The Board deferred discussion at this time.

Change Order No. 003 to the Construction Contract with Hudick Excavating, Inc. dba HEI Civil ("HEI") for Superior Town Center FDP1, Phase 2D for Revised Plans and Damages: Mr. Andrews presented to the Board Change Order No. 003 to the Construction Contract with HEI for FDP1, Phase 2D for revised plans and damages for an increase in the amount of \$125,533.00.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board approved Change Order No. 003 to the Construction Contract with HEI for FDP1, Phase 2D for revised plans and damages for an increase in the amount of \$125,533.00, subject to any necessary revisions and adjustments discussed.

Change Order No. 012, to the Construction Contract with SAMORA Construction for STC Block 25, Phase 2, to excavate stair "E", water meter repairs, and removal of existing subgrade: Mr. Andrews presented to the Board Change Order No. 012, to the Construction Contract with SAMORA Construction for STC Block 25, Phase 2, to excavate stair "E", water meter repairs, and removal of existing subgrade for an increase in the amount of \$176,504.81.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board approved Change Order No. 012, to the Construction Contract with SAMORA Construction for STC Block 25, Phase 2, to excavate stair "E", water meter repairs, and removal of existing subgrade for an increase in the amount of \$176,504.81.

Change Order No. 1 to Construction Contract with SAMORA Construction for Entrance Signage: The Board discussed Change Order No. 01 to the Construction Contract with SAMORA Construction for Entrance Signage for an increase in the amount of \$17,250.00.

Following discussion, upon motion duly made by Director Hulsebus, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board approved Change Order No. 1 to the Construction Contract with SAMORA Construction for Entrance Signage for an increase in the amount of \$17,250.00.

Change Order No. 06 to Construction Contract with SAMORA Construction for FDP2/FDP3 Phase 1 South Courtyard: The Board discussed Change Order No. 06 to the Construction Contract with SAMORA Construction for FDP2/ FDP3 Phase 1 South Courtyard for a decrease in the amount of <\$22,730.62>.

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Following discussion, upon motion duly made by Director Willis, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board approved Change Order No. 06 to the Construction Contract with SAMORA Construction for FDP2/ FDP3 Phase 1 South Courtyard for a decrease in the amount of <\$22,730.62>.

DEVELOPER UPDATE

Lot and Home Sales: Mr. Jencks provided an update to the Board on lot and home sales.

OTHER MATTERS

There were no other matters for discussion at this time.

ADJOURNMENT

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

Respectfully submitted,

By


Secretary for the Meeting

RESOLUTION NO. 2019-11-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
STC METROPOLITAN DISTRICT NO. 2
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION,
ESTABLISHING DISTRICT WEBSITE AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings ("**Notice of Meeting**") will be physically posted at least 24 hours prior to each meeting ("**Designated Public Place**"). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

C. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online at a public website of the special district ("**District Website**") at least 24 hours prior to each regular and special meeting

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

E. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

F. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of STC Metropolitan District No. 2 (the "**District**"), Boulder County, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2020 shall be held on January 8, 2020 and the first Wednesday of each month thereafter at 9:00 A.M., at the offices of McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District Board authorizes establishment of a District Website, if such District Website does not already exist, in order to provide full and timely notice of regular and special meetings of the District Board online pursuant to the provisions of Section 24-6-402(2)(c)(III), C.R.S.

8. That, if the District has established a District Website, the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to each regular and special meeting pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

9. That, if the District has not yet established a District Website or is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) On the fence in the northwest corner of the 5’ x 5’ District parcel (said parcel located 86 feet north of the fence corner)

10. Jim Brzostowicz, or designee is hereby appointed to post the above-referenced notices.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, ESTABLISHING DISTRICT WEBSITE AND DESIGNATING LOCATION FOR 24-HOUR NOTICES]

RESOLUTION APPROVED AND ADOPTED on November 6, 2019.

STC METROPOLITAN DISTRICT NO. 2

By:

President

Attest:

Secretary

RESOLUTION NO. 2019-11-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
STC METROPOLITAN DISTRICT NO. 2
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION,
ESTABLISHING DISTRICT WEBSITE AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings ("**Notice of Meeting**") will be physically posted at least 24 hours prior to each meeting ("**Designated Public Place**"). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

C. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online at a public website of the special district ("**District Website**") at least 24 hours prior to each regular and special meeting

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

E. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

F. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of STC Metropolitan District No. 2 (the "**District**"), Boulder County, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2020 shall be held on January 8, 2020 and the first Wednesday of each month thereafter at 9:00 A.M., at the offices of McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District Board authorizes establishment of a District Website, if such District Website does not already exist, in order to provide full and timely notice of regular and special meetings of the District Board online pursuant to the provisions of Section 24-6-402(2)(c)(III), C.R.S.

8. That, if the District has established a District Website, the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to each regular and special meeting pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

9. That, if the District has not yet established a District Website or is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) On the fence in the northwest corner of the 5’ x 5’ District parcel (said parcel located 86 feet north of the fence corner)

10. Jim Brzostowicz, or designee is hereby appointed to post the above-referenced notices.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, ESTABLISHING DISTRICT WEBSITE AND DESIGNATING LOCATION FOR 24-HOUR NOTICES]

RESOLUTION APPROVED AND ADOPTED on November 6, 2019.

STC METROPOLITAN DISTRICT NO. 2

By: _____

President 

Attest:

Secretary 

RESOLUTION NO. 2019 - 11 - 03
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE STC METROPOLITAN DISTRICT NO. 2
TO ADOPT THE 2020 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the STC Metropolitan District No. 2 ("District") has appointed the District Accountant to prepare and submit a proposed 2020 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, 2019, 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 6, 2019, 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 interfund 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 STC 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 STC Metropolitan District No. 2 for the 2020 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 6th day of November, 2019.




Secretary

EXHIBIT A
(Budget)

STC METROPOLITAN DISTRICT NO. 2
2020
BUDGET MESSAGE

Attached please find a copy of the adopted 2020 budget for STC Metropolitan District No. 2.

The STC Metropolitan District No. 2 has adopted three separate funds, a General Fund to provide for general operating and maintenance expenditures; a Capital Projects Fund to provide for capital improvements to be built for the benefit of the district; and a Debt Service Fund to provide for payments on the outstanding general obligation bonds .

The District's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenue for the District in 2020 will be property taxes, SURA property tax increments, developer advances and transfers from STC Metropolitan District Nos. 1 and 3. The District intends to impose a 45.000 mill levy on the property within the District in 2020, of which 10.000 mills will be dedicated to the General Fund and the balance of 35.000 mills will be allocated to the Debt Service Fund.

STC Metropolitan District No. 2
Adopted Budget
General Fund
For the Year Ended December 31, 2020

	Actual 2018	Adopted Budget 2019	Actual 7/31/2019	Estimate 2019	Adopted Budget 2020
Beginning balance	\$ 94,641	\$ 139,340	\$ 132,598	\$ 132,598	\$ 232,077
Revenues:					
Property taxes	163	176	40	176	155
SURA Property Tax Increment	72,938	102,495	47,999	102,500	90,423
Specific ownership taxes	4,322	8,200	541	4,100	8,200
Developer Advance	187,083	10,000	234,304	234,304	-
Transfer from STCMD No. 1	21,225	40,007	27,254	40,242	68,021
Transfer from STCMD No. 3	1,190	4,835	2,691	4,567	27,389
Parking Garage Cost Share/MOB	-	22,000	3,792	5,000	22,000
Miscellaneous/Interest Income	1,103	-	2,206	4,400	2,670
Total Revenue	288,024	187,713	318,827	395,289	218,858
Total Funds Available	382,665	327,053	451,425	527,887	450,935
Expenditures:					
Accounting	11,542	25,000	9,595	20,000	25,000
Audit	9,600	11,000	-	11,000	11,000
Director's Fees	1,600	5,000	600	3,200	5,000
Insurance/SDA Dues	12,844	16,000	23,657	23,657	16,000
Election	-	-	-	-	1,500
Legal	25,966	40,000	29,045	50,000	40,000
Management	62,706	50,000	30,713	50,000	50,000
Miscellaneous	-	1,000	2,280	3,500	1,000
Aweida Inclusion Expense	2,621	-	143	150	-
O&M - Covenant Control/Comm Mgmt	-	18,000	7,116	15,000	18,000
O&M - Field Services	-	6,500	-	-	6,500
O&M - Landscaping	7,370	45,000	16,920	50,000	45,000
O&M - Equipment Maintenance	-	1,500	-	-	1,500
O&M - Utilities	-	5,000	7,160	15,000	5,000
O&M - Roads & Sidewalks	79,470	40,000	39,873	40,000	40,000
O&M - Snow Removal	28,743	-	-	-	-
O&M - Parking Garage	-	44,000	3,084	10,000	44,000
O&M - Mailboxes	-	2,000	-	-	2,000
O&M - Reserve	-	3,224	-	-	3,224
Treasurer's Fees	19	3	3	3	3
Payroll Taxes	122	300	1,583	300	300
Contingency	-	-	-	-	122,457
Utilities	7,464	4,000	1,717	4,000	4,000
	<u>250,067</u>	<u>317,527</u>	<u>173,489</u>	<u>295,810</u>	<u>441,484</u>
Transfers and Reserves					
Emergency Reserve	-	9,526	-	-	9,451
Total expenditures	-	9,526	-	-	9,451
Ending balance	\$ 132,598	\$ -	\$ 277,936	\$ 232,077	\$ -
Assessed Valuation Gross					\$ 9,195,439
Assessed Valuation Increment					\$ 9,179,879
Assessed Valuation		\$ 17,643			\$ 15,560
Mill Levy		<u>10.000</u>			<u>10.000</u>

STC Metropolitan District No. 2
Adopted Budget
Capital Projects Fund
For the Year Ended December 31, 2018

	Estimate 2018	Adopted Budget 2019	Actual 7/31/2019	Estimate 2019	Adopted Budget 2020
Beginning balance	\$ 338,112	\$ 279,612	\$ -	\$ -	\$ 37,298,059
Revenues:					
Developer Advance	8,045,532	5,000,000	7,947,996	6,000,000	5,000,000
Bond Proceeds	-	-	-	108,714,000	-
Premium on bonds	-	-	-	1,883,213	-
Interest Income	4,990	1,000	3,775	3,000	1,000
Total Revenue	8,050,522	5,001,000	7,951,771	116,600,213	5,001,000
Total Funds Available	8,388,634	5,280,612	7,951,771	116,600,213	42,299,059
Expenditures:					
Accounting	6,233	5,000	4,220	5,000	5,000
Legal	58,470	55,000	31,522	55,000	55,000
Management	96	2,500	-	1,000	2,500
Miscellaneous	-	1,000	-	500	1,000
Construction Expenses	7,341,408	5,000,000	2,445,841	5,400,000	38,833,559
System Development Costs	-	-	2,767,852	3,500,000	-
Developer Reimbursement	-	-	-	30,000,000	-
Cost of issuance	-	-	-	2,903,270	-
Transfer to debt service	982,427	-	-	36,837,384	-
Engineering	-	200,000	2,702,336	600,000	200,000
Total expenditures	8,388,634	5,263,500	7,951,771	79,302,154	39,097,059
Ending balance	\$ -	\$ 17,112	\$ -	\$ 37,298,059	\$ 3,202,000

STC Metropolitan District No. 2
Adopted Budget
Debt Service Fund
For the Year Ended December 31, 2020

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>7/31/2019</u>	Estimate <u>2019</u>	Adopted Budget <u>2020</u>
Beginning balance	\$ 2,901,360	\$ 2,077,964	\$ 3,251,116	\$ 3,251,116	\$ 13,630,586
Revenues:					
Property taxes	570	618	139	618	545
SURA Property Tax Increment	-	-	-	317,739	316,476
Specific Ownership Taxes	15,126	4,577	1,895	3,600	19,064
Reimbursement from SURA	1,460,972	1,800,000	1,081,895	1,431,184	1,883,435
Transfer from Capital Projects	982,427	-	-	36,837,384	-
Transfer from STCMD No. 1	86,132	136,093	115,985	136,021	358,148
Transfer from STCMD No. 3	4,731	9,652	5,556	4,567	27,389
Interest income	57,765	18,000	40,845	60,000	18,000
	<u>2,607,723</u>	<u>1,968,940</u>	<u>1,246,315</u>	<u>38,791,113</u>	<u>2,623,057</u>
Total Revenue					
	<u>2,607,723</u>	<u>1,968,940</u>	<u>1,246,315</u>	<u>38,791,113</u>	<u>2,623,057</u>
Total Funds Available	<u>5,509,083</u>	<u>4,046,904</u>	<u>4,497,431</u>	<u>42,042,229</u>	<u>16,253,643</u>
Expenditures:					
Bond Interest - 2015A	993,900	1,006,500	473,850	1,003,298	-
Bond Principal	1,260,000	300,000	-	300,000	-
Bond Interest - 2019A	-	-	-	-	4,374,450
Payment to escrow agent	-	-	-	27,104,334	-
Paying agent fees	4,000	4,000	4,000	4,000	8,000
Miscellaneous Expense	-	500	-	-	500
Treasurer's Fees	67	28,610	10	11	8
	<u>2,257,967</u>	<u>1,339,610</u>	<u>477,860</u>	<u>28,411,643</u>	<u>4,382,958</u>
Total expenditures					
	<u>2,257,967</u>	<u>1,339,610</u>	<u>477,860</u>	<u>28,411,643</u>	<u>4,382,958</u>
Ending balance	<u>\$ 3,251,116</u>	<u>\$ 2,707,294</u>	<u>\$ 4,019,571</u>	<u>\$ 13,630,586</u>	<u>\$ 11,870,685</u>
Assessed Valuation Gross					<u>\$ 9,195,439</u>
Assessed Valuation Increment					<u>\$ 9,179,879</u>
Assessed Valuation		<u>\$ 17,643</u>			<u>\$ 15,560</u>
Mill Levy		<u>35.000</u>			<u>35.000</u>
Total Mill Levy		<u>45.000</u>			<u>45.000</u>

I, Lisa A. Johnson, hereby certify that I am the duly appointed Secretary of the STC Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2020, duly adopted at a meeting of the Board of Directors of the STC Metropolitan District No. 2 held on November 6, 2019.

By: _____

Secretary

RESOLUTION NO. 2019 - 11 - 04
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE STC METROPOLITAN DISTRICT NO. 2
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the STC Metropolitan District No. 2 ("District") has adopted the 2020 annual budget in accordance with the Local Government Budget Law on November 6, 2019; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2020 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

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

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

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

1. That for the purposes of meeting all general fund expenses of the District during the 2020 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Boulder County, Colorado, the mill levies for the District as set forth in the District's Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), 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 6th day of November, 2019.




Secretary

EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Boulder County, Colorado.

On behalf of the STC Metropolitan District No. 2,
(taxing entity)^A

the Board of Directors,
(governing body)^B

of the STC Metropolitan District No. 2,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 9,195,439 assessed valuation of:
(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 15,560
(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/12/19 for budget/fiscal year 2020.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	10.000 mills	\$ 155
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$ 155
3. General Obligation Bonds and Interest ^J	35.000 mills	\$ 545
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	45.000 mills	\$ 700

Contact person: (print) Diane K Wheeler Daytime phone: (303) 689-0833
Signed: *Diane K Wheeler* Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^j:

1.	Purpose of Issue:	Proposed General Obligation Bonds
	Series:	Proposed
	Date of Issue:	Proposed
	Coupon Rate:	Proposed
	Maturity Date:	Proposed
	Levy:	35.000
	Revenue:	\$545

2.	Purpose of Issue:	_____
	Series:	_____
	Date of Issue:	_____
	Coupon Rate:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

CONTRACTS^k:

3.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

4.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

RESOLUTION NO. 2019-11-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF
STC METROPOLITAN DISTRICT NO. 2
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 5, 2020

A. The term of the office of Director Brzostowicz shall expire upon the election of his successor at the regular election, to be held on May 5, 2020 (“**Election**”), and upon such successor taking office.

B. The terms of the offices to which Directors Hulsebus and Willis have previously been appointed expire upon their election, or the election of their successors at the Election, and upon such successor taking office.

C. Two vacancies currently exist on the Board of Directors of the District.

D. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect two (2) Directors to serve until the next regular election, to occur May 3, 2022, and three (3) Directors to serve until the second regular election, to occur May 2, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the STC Metropolitan District No. 2 (the “**District**”) of the County of Boulder, Colorado:

1. Date and Time of Election. The Election shall be held on May 5, 2020, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, two (2) Directors shall be elected to serve until the next regular election, to occur May 3, 2022, and three (3) Directors shall be elected to serve until the second regular election, to occur May 2, 2023.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. Lisa A. Johnson shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, c/o Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, CO 80228, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 28, 2020).

6. Self-Nomination and Acceptance Forms. Self-nomination and acceptance forms are available at the office of the Designated Election Official located at the above address. All candidates must file a self-nomination and acceptance form with the Designated Election Official no later than 3:00 P.M. on February 28, 2020.

7. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on March 3, 2020, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

8. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

9. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

10. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of STC Metropolitan District No. 2.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 5, 2020]


RESOLUTION APPROVED AND ADOPTED on November 6, 2019.

STC METROPOLITAN DISTRICT NO. 2

By: 

President

Attest:



Secretary