

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE STC METROPOLITAN DISTRICT NO. 2 HELD NOVEMBER 7, 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 7th day of November, 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
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.

Sonia Chin, 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 Hulsebus, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Agenda was approved, as amended.

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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 Hulsebus, seconded by Director Brzostowicz 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 October 3, 2018 Regular Meeting.
- Ratify approval of 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 Hulsebus, seconded by Director Brzostowicz 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 Oct. 29, 2018
General	\$ 30,229.66
Debt	\$ -0-
Capital	\$ 7,195.58
Total	\$ 37,425.24

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: Mr. Chambers presented the unaudited financial statements for the period ending September 30, 2018 and the updated schedule of cash position for the period ending September 30, 2018.

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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 for the period ending September 30, 2018 and the updated schedule of cash position for the period ending September 30, 2018.

2018 Audit Preparation: Mr. Chambers reviewed with the Board the Audit Engagement Letter from Dazzio & Associates, PC to perform the 2018 Audit.

Following discussion, upon motion duly made by Director Hulsebus, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board approved the engagement of Dazzio & Associates, PC to perform the 2018 Audit, for an amount not to exceed \$6,000.

2018 Budget Amendment Hearing: The Board opened the public hearing to consider the Resolution to Amend the 2018 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 2018 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.

Following review and discussion, Director Brzostowicz moved to adopt Resolution No. 2018-11-02; Resolution to Amend the 2018 Budget, Director Hulsebus seconded the motion and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2018 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2019 Budget Hearing: The Board opened the public hearing to consider the proposed 2019 Budget and discuss related issues.

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

Mr. Chambers reviewed the estimated 2018 expenditures and the proposed 2019 expenditures with the Board.

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Following discussion, the Board considered the adoption of Resolution No. 2018-11-03; Resolution to Adopt the 2019 Budget and Appropriate Sums of Money, and Resolution No. 2018-11-04; Resolution to Set Mill Levies, for the General Fund at 11.056 mills and the Debt Service Fund at 38.694 mills, for a total mill levy of 49.750 mills. Upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, subject to final assessed valuation, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of the final Certification of Assessed Valuation from the County on or before December 10, 2018. Ms. Johnson was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Boulder County and the Division of Local Government, not later than December 15, 2018. Ms. Johnson was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2019. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

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

LEGAL MATTERS

Parking Garage Conveyance: Attorney Becher reported that the Parking Garage Conveyance is complete.

Colorado Department of Public Health and Environment (“CDPHE”)– Stormwater Management Plan and Meeting Results: Ms. Johnson reported to the Board that approval of the SEP Project by the Colorado Department of Public Health and Environment continues to be a work in progress.

Rules and Regulations: No action was taken by the Board of Directors.

Notice of Intent to File Lien Pursuant to 38-22-101 from Parkway Electric & Communications, LLC.: The Board discussed a Notice of Intent to File Lien Pursuant to 38-22-101. No action was necessary by the Board at this time.

Status of Subpoena Response to JD Enterprises: It was noted that Special Counsel has closed this case.

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Current District Boundary Map: The Board of Directors reviewed the current District boundary map and will make any changes needed.

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 needs to be extended through 2019 for the actual and budgeted amounts.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board accepted the First Amendment to Facilities Funding and Acquisition Agreement between the District and RC Superior, LLC. Subject to final review by Legal Counsel.

First Amendment to Operations Funding Agreement between the District and RC Superior, LLC: Attorney Becher reported to the Board that the First Amendment to Operations Funding Agreement needs to be extended through 2019 for the actual and budgeted amounts.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board accepted the First Amendment to Operations Funding Agreement between the District and RC Superior, LLC. Subject to final review by Legal Counsel.

OPERATIONS / MAINTENANCE

Resolution Regarding Imposition of Fees from Town of Superior: Ms. Ripko presented to the Board the finalized Operations and Maintenance Budget. The 2019 Budget presentation indicates adequate coverage and therefore, there is no need to impose an Operations and Maintenance Fee.

Proposals for 2018-2019 Landscape Maintenance Services Contract: Ms. Ripko presented three proposal bids to the Board for 2019 landscape maintenance services. She recommends contracting with Vargas Property Services, Inc.

Following discussion, the Board deferred action until the December Meeting.

Service Agreement with Thyssen Krupp for Elevator Maintenance Services: The Board discussed a Service Agreement with Thyssen Krupp for Elevator Maintenance Services.

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Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board approved the Service Agreement with Thyssen Krupp for Elevator Maintenance Services, subject to execution of the District's Standard Service Agreement and final review by legal counsel.

COVENANT CONTROL

Appointment Consideration for Covenant Control Committee: The Board discussed the need for a Covenant Control Committee and considered Peggy Ripko for appointment of the position.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board appointed Peggy Ripko for the position on the Covenant Control Committee.

CAPITAL PROJECTS

Final Engineer's Report and Certification No. 40 prepared on October 16, 2018: Ms. Johnson reviewed with the Board the improvement costs under the Final Engineer's Report and Certification No. 40, dated October 16, 2018, prepared by Manhard Consulting, Ltd.

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 approximate amount of \$438,293.56 under that certain Final Engineer's Report and Certification No. 40, dated October 16, 2018, prepared by Manhard Consulting, Ltd.

Change Order No. 8, Superior Town Center Discovery Parkway FD1, Phase 2B, under Contract between the District and Hudick Excavating, Inc., for an increase in the contract amount of \$584,016.00: Ms. Johnson reviewed with the Board Change Order No. 8, Superior Town Center Discovery Parkway FD1, Phase 2B, under contract between the District and Hudick Excavating, Inc., for an increase in the contract amount of \$584,016.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus, and, upon vote, unanimously carried, the Board approved Change Order No. 8 Superior Town Center Discovery Parkway FD1, Phase 2B, under contract between the District and Hudick Excavating, Inc., for an increase in the contract amount of \$584,016.

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Contract with SAMORA Construction for Site Work in Support of the Monument Sign: The Board reviewed and discussed a contract with SAMORA Construction for site work in support of the Monument Sign in the amount of \$179,688.65.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus, and, upon vote, unanimously carried, the Board approved the contract with SAMORA Construction for site work in support of the Monument Sign in the amount of \$179,688.65.

DEVELOPER UPDATE

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

OTHER MATTERS

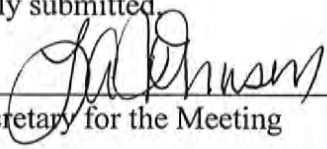
There were no other matters before the Board for discussion.

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

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 7, 2018 MINUTES OF THE STC METROPOLITAN DISTRICT NO. 2 BY THE BOARD OF DIRECTORS SIGNING BELOW:


James A. Brzostowicz


Angie Hulsebus