

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CITYSET METROPOLITAN DISTRICT NO. 2 HELD SEPTEMBER 22, 2020

A Special Meeting of the Board of Directors (hereinafter referred to as the “Board”) of CitySet Metropolitan District No. 2 (hereinafter referred to as the “District”) was held on Tuesday, September 22, 2020, at 2:00 p.m., at Stonebridge Companies, 4949 South Niagara Street, Suite 300, Denver, CO 80207. 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 was held with persons present at the physical location posted on the notice and all other attendees via conference call. The meeting was open to the public via teleconferencing.

ATTENDANCE

Directors In Attendance Were:

Navin Dimond (at physical location)

Jason Gaede (at physical location)

William G. Martinic (at physical location)

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Paula Williams, Esq.; McGeady Becher P.C.

Kimberly Johannis; Simmons & Wheeler, P.C.

Howard Pollack; Stonebridge Companies (“SBCO”) (at physical location)

Kyle Thomas; D.A. Davidson & CO.

Mike McGinnis, Esq.; Greenberg Traurig, LLP

Ashley Dimond and Aly-Khan Merali; Board Candidates

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. Mr. Solin noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard

*As used herein, the term “Developer” means any and/or all of the following entities: Cherry Creek Lodging, LLC; Stonebridge Realty Advisors, Inc.; Sonley Lodging, LLC; Sonley Retail, LLC; Dimond Holdings LLC; and Group Four Holdings, LLC

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to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Williams noted that all Directors' Disclosure Statements had been filed by the statutory deadline.

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed the proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Dimond, seconded by Director Martinic 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's Board Meeting.

Following discussion, upon motion duly made by Director Dimond, seconded by Director Martinic and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of COVID-19 and the spread of the virus by limiting in-person contact, the District Board meeting was held and properly noticed to be held via teleconference, with at least one person at the physical location. The Board further noted that notice providing the conference bridge information was duly posted and that they have not received any objections or any requests that the means of hosting the meeting be changed by tax paying electors within the District's boundaries.

Resignation of Director: Following discussion, upon motion duly made by Director Gaede, seconded by Director Dimond and, upon vote, unanimously carried, the Board acknowledged the resignation of Director Christopher Manley from the Board, effective as of August 7, 2020.

Board Appointment: The Board discussed the vacancies on the Board. It was noted that pursuant to Section 32-1-808(2)(a)(I), C.R.S., publication of a Notice of Vacancy on the Board was made on May 28, 2020 in The Villager. No Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication.

Following discussion and upon motion duly made by Director N. Dimond, seconded by Director Martinic and, upon vote, unanimously carried, the Board appointed Ali-Khan Merali and Ashley Dimond to fill the to fill the vacancies on the Board of Directors. The Oaths of Director were administered.

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Appointment of Officers: Following discussion, upon motion duly made by Director N. Dimond, seconded by Director Martinic and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Navin Dimond
Treasurer	Aly-Khan Merali
Secretary	David Solin
Assistant Secretary	William G. Martinic
Assistant Secretary	Jason Gaede
Assistant Secretary	Ashley Dimond

Minutes: The Board reviewed Minutes of the June 17, 2020 Special Meeting.

Following discussion, upon motion duly made by Director N. Dimond, seconded by Director Martinic and, upon vote, unanimously carried, the Minutes of the June 17, 2020 Special Meeting were approved, as presented.

FINANCIAL MATTERS

Claims: The Board reviewed and considered ratifying approval of payment of claims for the periods ending as follows:

Fund	Period Ending June 15, 2020	Period Ending July 9, 2020	Period Ending Aug. 10, 2020	Period Ending Sept. 9, 2020
General	\$ 23,754.34	\$ 10,653.17	\$ 12,644.05	\$ 146,007.91
Debt Service	\$ -0-	\$ -0-	\$ 202,319.39	\$ 262,817.48
Capital	\$ 725.00	\$ 72.50	\$ -0-	\$ -0-
Total Claims	\$ 24,479.34	\$ 10,725.67	\$ 214,983.44	\$ 278,825.39

Following review, upon motion duly made by Director N. Dimond, seconded by Director Gaede and, upon vote, unanimously carried, the Board ratified the payment of claims, as presented.

Unaudited Financial Statements: Ms. Johanns reviewed the unaudited financial statements through the period ending June 30, 2020.

Following review and discussion, upon motion duly made by Director N. Dimond, seconded by Director Martinic and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending June 30, 2020

Engagement of Greenberg Traurig LLP as District Bond Counsel: The Board discussed the engagement of Greenberg Traurig LLP as District Bond Counsel.

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Following review and discussion, upon motion duly made by Director N. Dimond, seconded by Director Martinic and, upon vote, unanimously carried, the Board approved the engagement of Greenberg Traurig LLP as District Bond Counsel.

Engagement of D.A. Davidson & Co. for Investment Banking Services: The Board discussed the engagement of D.A. Davidson & Co. for Investment Banking Services.

Following review and discussion, upon motion duly made by Director Gaede, seconded by Director Martinic and, upon vote, unanimously carried, the Board ratified approval of the engagement of D.A. Davidson & Co. for Investment Banking Services.

Engagement of External Financial Advisor: The Board discussed engagement of an external financial advisor.

Following review and discussion, upon motion duly made by Director N. Dimond, seconded by Director Gaede and, upon vote, unanimously carried, the Board approved the engagement of MuniCap, Inc. as External Financial Advisor.

2020 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend 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.

Following review and discussion, Director N. Dimond moved to adopt Resolution No. 2020-09-01 to Amend the 2020 Budget, Director Martinic seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-09-01 to Amend the 2020 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

LEGAL MATTERS

Resolution Authorizing the Incurrence of General Obligation Indebtedness: The Board considered adoption of a Resolution of the District authorizing the incurrence of general obligation indebtedness in the form of Limited Tax General Obligation and Special Revenue Refunding and Improvements Bonds, Series 2020, in an approximate principal amount not to exceed \$17,000,000, approving an indenture of trust and other related documents; authorizing the execution and

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delivery thereof and performance thereunder; approving, ratifying and confirming other actions; making determinations and findings as to other matters related to such financing; authorizing incidental action; and repealing prior inconsistent actions.

Following discussion, upon motion duly made by Director N. Dimond, seconded by Director Martinic and, upon vote, unanimously carried, the Board adopted the Resolution of the District authorizing the incurrence of general obligation indebtedness in the form of Limited Tax General Obligation and Special Revenue Refunding and Improvements Bonds, Series 2020, in an approximate principal amount not to exceed \$17,000,000, approving an indenture of trust and other related documents; authorizing the execution and delivery thereof and performance thereunder; approving, ratifying and confirming other actions; making determinations and findings as to other matters related to such financing; authorizing incidental action; and repealing prior inconsistent actions. The Board appointed Director N. Dimond as the District representative for any Bond matters.

Resolution Regarding Continuing Disclosure Policies and Procedures: The Board determined to defer discussion until after the Limited Tax General Obligation and Special Revenue Refunding and Improvements Bonds, Series 2020, have closed

Requisition(s) of Funds Under the 2020 Bonds for Reimbursement to Developer: The Board discussed requisition(s) of funds under the 2020 Bonds for reimbursement to Developer* under that certain Facilities Funding and Acquisition Agreement and authorize necessary actions in conjunction therewith.

Following discussion, upon motion duly made by Director N. Dimond, seconded by Director Gaede and, upon vote, unanimously carried, the Board authorized requisition(s) of funds under the 2020 Bonds for reimbursement to Developer* under that certain Facilities Funding and Acquisition Agreement and authorize necessary actions in conjunction therewith.

Engagement of Schedio Group LLC for Cost Verification Services: The Board considered the engagement of Schedio Group LLC for Cost Verification Services.

Following discussion, upon motion duly made by Director N. Dimond, seconded by Director Gaede and, upon vote, unanimously carried, the Board approved the engagement of Schedio Group LLC for Cost Verification Services.

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OTHER MATTERS

Proposal for Snow Removal Services from Powder Country: The Board considered the proposal for snow removal services from Powder Country.

Following discussion, upon motion duly made by Director N. Dimond, seconded by Director Martinic and, upon vote, unanimously carried, the Board approved the proposal for snow removal services from Powder Country.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director N. Dimond, seconded by Director Martinic, and upon vote, unanimously carried, the meeting was continued to Wednesday, September 30, 2020 at 8:00 a.m. at the regular meeting location.

Respectfully submitted,

By 

Secretary for the Meeting

RESOLUTION TO AMEND 2020 BUDGET
CITYSET METROPOLITAN DISTRICT NO. 2

WHEREAS, the Board of Directors of the CitySet Metropolitan District No. 2 adopted a budget and appropriated funds for the fiscal year 2020 as follows:

General Fund	\$	831,000
Debt Service Fund	\$	13,518,454
Capital	\$	400,000

WHEREAS, the necessity has arisen for additional expenditures in the Debt Service Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2020; and

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the Debt Service Fund from Property Tax Increment Revenue, Bond/Loan proceeds and Bond premium.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the CitySet Metropolitan District No. 2 shall and hereby does amend the adopted Budget for the fiscal year 2020 and adopts a supplemental budget and appropriation for the Debt Service Fund for the fiscal year 2020, as follows:

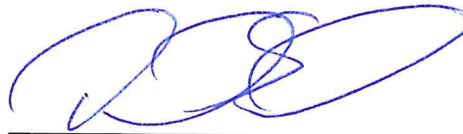
Debt Service Fund	\$	19,820,000
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BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 22nd day of September, 2020.

CITYSET METROPOLITAN DISTRICT NO. 2

By: _____



Secretary

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

	Adopted Budget <u>2020</u>	Amended Budget <u>2020</u>
Beginning fund balance	\$ 1,719,631	\$ 1,671,500
Revenues:		
Sales Tax - TIF Collections	225,000	120,000
Lodging Tax - TIF Collections	160,000	80,000
Property Tax Increment Revenue	360,000	400,000
Transfer from General Fund	600,000	256,400
Bond/Loan proceeds	12,000,000	17,000,000
Bond premium	-	800,000
Interest Income	<u>5,000</u>	<u>4,000</u>
Total revenues	<u>13,350,000</u>	<u>18,660,400</u>
Total funds available	<u>15,069,631</u>	<u>20,331,900</u>
Expenditures:		
Loan Principal	12,660,000	12,660,000
Loan Interest	351,729	351,729
Sub Debt Payment	500,000	5,458,925
Costs of Issuance	-	595,000
Paying Agent Fees	3,000	3,000
TIF Collection Fee	1,925	1,000
Tax Increment Collection Fee	1,800	2,000
Miscellaneous	<u>-</u>	<u>748,346</u>
Total expenditures	<u>13,518,454</u>	<u>19,820,000</u>
Ending fund balance	<u>\$ 1,551,177</u>	<u>\$ 511,900</u>