

## RECORD OF PROCEEDINGS

---

**MINUTES OF A SPECIAL MEETING OF  
THE BOARD OF DIRECTORS OF THE  
EAST CREEK METROPOLITAN DISTRICT NO. 1  
(THE "DISTRICT")  
HELD  
NOVEMBER 29, 2018**

A special meeting of the Board of Directors of the East Creek Metropolitan District No. 1 (the "District") was convened on Thursday, November 29, 2018, at 2:00 p.m., at the offices of Meritage Homes of Colorado, 8400 E. Crescent Parkway, #200, Greenwood Village, Colorado 80111. The meeting was open to the public.

---

**Directors In Attendance Were:**

Timothy Buschar  
Glenn Nier  
Michael Bird  
Matthew Larsen

Following discussion, upon motion duly made by Director Buschar, seconded by Director Nier and, upon vote, unanimously carried, the absence of Michele Trujillo was excused.

**Also In Attendance Were:**

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

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

Natalie Schutzius; Meritage Homes of Colorado, Inc.

---

**DISCLOSURE OF  
POTENTIAL  
CONFLICTS OF  
INTEREST**

The Board noted that disclosures of potential conflict of interest statements for each of the Directors were filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Williams requested that the Directors consider whether they had any additional conflicts of interest to disclose. Attorney Williams noted for the record that there were no new disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting and in accordance with the statutes. It was noted that disclosure statements had been filed for all Directors.

---

## RECORD OF PROCEEDINGS

---

### ADMINISTRATIVE MATTERS

**Agenda:** Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the Districts' special meeting.

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

**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 Districts' Board meeting. Following discussion, upon motion duly made by Director Buschar, seconded by Director Nier and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries that the District is located to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of this location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxing electors within its boundaries.

**Minutes:** The Board reviewed the Minutes of the October 22, 2018 Special Meeting.

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the Minutes of the October 22, 2018 Special Meeting were approved.

---

### FINANCIAL MATTERS

**2019 Bond Issuance:** It was noted that the 2019 Bond Issuance is anticipated for a March closing.

**2019 Budget Hearing:** The President 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. No public comments were received and the public hearing was closed.

Ms. Johnson reviewed the estimated 2018 expenditures and the proposed 2019 expenditures.

## RECORD OF PROCEEDINGS

---

Following discussion, the Board considered the adoption of Resolution No. 2018-11-01 to Adopt the 2019 Budget and Appropriate Sums of Money and Resolution No. 2018-11-02 to Set Mill Levies (for the General Fund at 65.277 mills and the Debt Service Fund at 0.000 mills, for a total mill levy of 65.277 mills). Upon motion duly made by Director Bird and seconded by Director Buschar and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2018. Ms. Johnson was authorized to transmit the Certification of Mill Levy to the Board of County Commissioners of Arapahoe 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.

**Claims:** The Board considered approval of the payment of claims through the period ending November 27, 2018:

General Fund	\$11,250.33
Total	\$11,250.33

Following discussion, upon motion duly made by Director Nier, seconded by Director Bird and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending November 27, 2018.

---

### **LEGAL MATTERS**

**Resolution Regarding the Imposition of District Fees:** The Board deferred discussion.

**Memorandum of Understanding between East Creek Metropolitan District Nos. 1 and 2:** Attorney Williams presented to the Board a Memorandum of Understanding between East Creek Metropolitan District Nos. 1 and 2.

Following discussion, upon motion duly made by Director Nier, seconded by Director Buschar and, upon vote, unanimously carried, the Board approved the Memorandum of Understanding between East Creek Metropolitan District Nos. 1 and 2.

**RECORD OF PROCEEDINGS**

---

**First Amendment to Operation Funding Agreement between the District and Meritage Homes of Colorado, Inc.:** The Board reviewed a First Amendment to Operation Funding Agreement between the District and Meritage Homes of Colorado, Inc.

Following discussion, upon motion duly made by Director Nier, seconded by Director Bird and, upon vote, unanimously carried, the Board ratified approval of the First Amendment to Operation Funding Agreement between the District and Meritage Homes of Colorado, Inc.

\_\_\_\_\_

**COVENANT  
ENFORCEMENT /  
DESIGN REVIEW**

**Resolution Acknowledging and Adopting the Declaration of Covenants, Conditions and Restrictions for East Creek:** The Board deferred discussion at this time.

**Resolution Adopting Policies and Procedures Governing the Enforcement of the Protective Covenants of East Creek:** The Board deferred discussion at this time.

**Resolution Adopting East Creek Rules and Regulations:** The Board deferred discussion at this time.

\_\_\_\_\_

**CONSTRUCTION  
MATTERS**

**2018 Development / Construction Outlook:** It was reported that the public infrastructure project is in process.

\_\_\_\_\_

**OTHER BUSINESS**

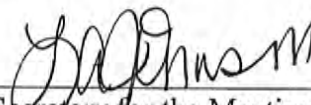
There was no other business for discussion at this time.

\_\_\_\_\_

**ADJOURNMENT**

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

Respectfully submitted,

By  \_\_\_\_\_  
Secretary for the Meeting

## RECORD OF PROCEEDINGS

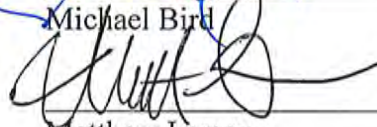
---

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 29, 2018  
SPECIAL MEETING MINUTES OF THE EAST CREEK METROPOLITAN  
DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
\_\_\_\_\_  
Michele Trujillo

  
\_\_\_\_\_  
Glenn Nier

  
\_\_\_\_\_  
Michael Bird

  
\_\_\_\_\_  
Matthew Larsen

RESOLUTION NO. 2018 - 11 01  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EAST CREEK METROPOLITAN DISTRICT NO. 1  
TO ADOPT THE 2019 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the East Creek Metropolitan District No. 1 ("District") has appointed the District Accountant to prepare and submit a proposed 2019 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, 2018, 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 29, 2018, 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 East Creek Metropolitan District No. 1:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the East Creek Metropolitan District No. 1 for the 2019 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 29th day of November, 2018.

  
Secretary

EXHIBIT A  
(Budget)



# EAST CREEK METROPOLITAN DISTRICT NO.1

## 2019 Budget Message

### Introduction

The District was formed in 2018 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements. Some of these improvements will be dedicated to the City of Aurora, Arapahoe County, or such other entities as appropriate for the use and benefit of the District taxpayers and service users.

In June 2018, the District entered into a Memorandum of Understanding (the "MOU") with East Creek Metropolitan District No. 2 ("District No. 2"). Under the MOU, the District "shall provide for the financing, construction, design, operation and maintenance of the Improvements, as well as overall administration of the Districts." District No. 2 is to reimburse District No. 1 for all costs incurred by District No. 1 pursuant to the MOU, on an allocable basis.

The 2019 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2019 fiscal year based on available revenues.

The District's assessed value is \$480,625. The District certified 65.277 mills in the General Fund for taxes collected in the 2019 fiscal year.

### Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid.

### Fund Summaries

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax, developer advances, operations and maintenance and working capital fees, and expenditures which include district administration, legal services, operations and maintenance of landscape, parks and open space, and other expenses related to statutory operations of a local government.

### Emergency Reserve

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues

in the General Fund.

**East Creek Metropolitan District No. 1**  
**Assessed Value, Property Tax and Mill Levy Information**

	2017	2018	2019
	Actual	Adopted Budget	Adopted Budget

Assessed Valuation	\$	-	\$	480,625
Mill Levy				
General Fund		0.000	0.000	65.277
Debt Service Fund		0.000	0.000	0.000
Temporary Mill Levy Reduction		0.000	0.000	0.000
Refunds and Abatements		0.000	0.000	0.000
Total Mill Levy		0.000	0.000	65.277
Property Taxes				
General Fund	\$	-	\$	31,374
Debt Service Fund	\$	-	\$	-
Temporary Mill Levy Reduction	\$	-	\$	-
Refunds and Abatements	\$	-	\$	-
Actual/Budgeted Property Taxes	\$	-	\$	31,374

**EAST CREEK METROPOLITAN DISTRICT NO. 1**  
**Budget**  
**General Fund**  
**2019 Adopted Budget**  
**With 2018 Adopted Budget and 2018 Estimated**

	2018 Adopted	2018 Estimated	2019 Adopted
Beginning Funds Available	\$ -	\$ -	\$ -
Revenue			
Property Taxes	\$ -	\$ -	\$ 31,374
Specific Ownership Taxes	\$ -	\$ -	\$ -
Developer Advance	\$ 50,000	\$ 50,000	\$ 77,440
O&M Fees	\$ -	\$ -	\$ 4,410
Miscellaneous Income	\$ -	\$ -	\$ -
Total Revenue	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 113,224</u>
Total Funds Available	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 113,224</u>
Expenditures			
Audit/Exemption	\$ 1,000	\$ 1,000	\$ 1,000
Election	\$ -	\$ -	\$ -
Insurance/SDA Dues	\$ 3,500	\$ 3,500	\$ 3,500
Accounting	\$ 8,000	\$ 8,000	\$ 8,000
Legal	\$ 15,000	\$ 15,000	\$ 15,000
Management	\$ 15,000	\$ 15,000	\$ 15,000
Miscellaneous	\$ 3,000	\$ 3,000	\$ 3,000
Contingency	\$ 3,000	\$ 3,000	\$ 3,000
Treasurer's Fees	\$ -	\$ -	\$ 471
Covenant Control/Community Management	\$ -	\$ -	\$ 14,345
Drainage	\$ -	\$ -	\$ 2,000
Landscaping	\$ -	\$ -	\$ 28,480
Fencing	\$ -	\$ -	\$ 1,500
Park	\$ -	\$ -	\$ 4,680
Utilities	\$ -	\$ -	\$ 7,500
Monuments	\$ -	\$ -	\$ 1,000
Mailboxes	\$ -	\$ -	\$ 750
Total Expenditures	<u>\$ 48,500</u>	<u>\$ 48,500</u>	<u>\$ 109,226</u>
Emergency Reserve	\$ 1,500	\$ 1,500	\$ 1,500
Total Expenditures Requiring Appropriation	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 110,726</u>
Ending Funds Available	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,498</u>

I, Lisa A. Johnson, hereby certify that I am the duly appointed Secretary of the East Creek Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2019, duly adopted at a meeting of the Board of Directors of the East Creek Metropolitan District No. 1 held on November 29, 2018.

By:  \_\_\_\_\_

RESOLUTION NO. 2018 - 11 *02*  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EAST CREEK METROPOLITAN DISTRICT NO. 1  
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the East Creek Metropolitan District No. 1 (“District”) has adopted the 2019 annual budget in accordance with the Local Government Budget Law on November 29, 2018; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2019 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 the East Creek Metropolitan District No. 1:

1. That for the purposes of meeting all general fund expenses of the District during the 2019 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 for the purposes of meeting all debt service fund expenses of the District during the 2019 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.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Arapahoe 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 29th day of November, 2018.

  
Secretary

**EXHIBIT A**  
(Certification of Tax Levies)

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO:** County Commissioners<sup>1</sup> of Arapahoe County, Colorado.

On behalf of the East Creek Metropolitan District No. 1  
 (taxing entity)<sup>A</sup>  
 the Board of Directors  
 (governing body)<sup>B</sup>  
 of the East Creek Metropolitan District No. 1  
 (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 480,625 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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: \$ 480,625 (NET<sup>G</sup> 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:** 12/15/18 for budget/fiscal year 2019  
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>65.277</u> mills	\$ <u>31,374</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< <u>0.000</u> > mills	\$ < <u>0</u> >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>65.277</u> mills</b>	<b>\$ <u>31,374</u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>0.000</u> mills	\$ <u>0</u>
4. Contractual Obligations <sup>K</sup>	<u>0.000</u> mills	\$ <u>0</u>
5. Capital Expenditures <sup>L</sup>	<u>0.000</u> mills	\$ <u>0</u>
6. Refunds/Abatements <sup>M</sup>	<u>0.000</u> mills	\$ <u>0</u>
7. Other <sup>N</sup> (specify): _____	<u>0.000</u> mills	\$ <u>0</u>
	<u>0.000</u> mills	\$ <u>0</u>
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b><u>65.277</u> mills</b>	<b>\$ <u>31,374</u></b>

Contact person: (print) Lisa A. Johnson Daytime phone: (303) 987-0835  
 Signed:  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) 864-7720.*

<sup>1</sup> 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.  
<sup>2</sup> 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<sup>J</sup>:**

- 1. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_
  
- 2. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

**CONTRACTS<sup>K</sup>:**

- 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.