

## RECORD OF PROCEEDINGS

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### MINUTES OF A CONTINUED SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE EAST CREEK METROPOLITAN DISTRICT NO. 1 (THE "DISTRICT") HELD APRIL 10, 2019

A continued special meeting of the Board of Directors of the East Creek Metropolitan District No. 1 (the "District") was convened on Wednesday, April 10, 2019 at 9:30 a.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.

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**Directors In Attendance Were:**

Glenn Nier  
Michele Trujillo  
Michael Bird  
Matthew Larsen

**Also In Attendance Were:**

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

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

Natalie Schutzius; Board Candidate

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**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.

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**ADMINISTRATIVE  
MATTERS**

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

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

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**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 Nier, seconded by Director Bird 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 taxpaying electors within its boundaries.

**Minutes:** The Board discussed the Minutes of the November 29, 2018 Special Meeting.

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the Board approved the Minutes of the November 29, 2018 Special Meeting.

**Resignation of Director:** The resignation of Director Buschar effective as of January 9, 2019 was acknowledged.

**Consideration of Board Appointment After Publication of Notice of Vacancy:** 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 January 24, 2019 in the Aurora Sentinel. No Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication.

As such, following discussion and upon motion duly made by Director Nier, seconded by Director Bird to nominate Natalie Schutzius to fill the vacant Board term and, upon vote, unanimously carried, the Board appointed Natalie Schutzius to fill the vacancy created by the resignation of Timothy Buschar. The Oath of Director was administered.

**Appointment of Officers:** Upon motion duly made by Director Larsen, seconded by Director Bird and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Glenn Nier
Treasurer	Michele Trujillo
Secretary	Lisa A. Johnson
Assistant Secretary	Michael Bird
Assistant Secretary	Matthew Larsen
Assistant Secretary	Natalie Schutzius

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### FINANCIAL MATTERS

**Claims:** The Board considered ratifying the approval of the payment of claims through the periods ending:

Fund	Period Ending Nov. 27, 2018	Period Ending Dec. 18, 2018	Period Ending Jan. 16, 2019	Period Ending Feb. 21, 2019
General	\$ 11,250.33	\$ 5,346.00	\$ 4,623.50	\$ 8,499.85
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total Claims</b>	<b>\$ 11,250.33</b>	<b>\$ 5,346.00</b>	<b>\$ 4,623.50</b>	<b>\$ 8,499.85</b>

Fund	Period Ending March 21, 2019
General	\$ 1,822.32
Debt Service	\$ -0-
Capital Projects	\$ -0-
<b>Total Claims</b>	<b>\$ 1,822.32</b>

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

**2019 Budget Amendment Hearing:** The President opened the public hearing to consider a Resolution to Amend 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. No public comments were received and the public hearing was closed.

Following review and discussion, Director Nier moved to adopt the Resolution to Amend 2019 Budget, Director Larsen seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-04-01 to Amend the 2019 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**2018 Application for Exemption from Audit:** The Board reviewed the Application for Exemption from Audit for 2018.

Following discussion and review, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the Board ratified approval of the Application for Exemption from Audit for 2018.

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**Reimbursement Recommendations for Public Infrastructure Improvement Costs from EVO Consulting Services, Inc.:** The Board discussed Reimbursement Recommendations for Public Infrastructure Improvement Costs from EVO Consulting Services, Inc. under that certain Facilities Funding and Acquisition Agreement dated June 25, 2018.

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the Board approved Reimbursement Recommendations for Public Infrastructure Improvement Costs from EVO Consulting Services, Inc. in the amount of \$ 3,421,822.68 under that certain Facilities Funding and Acquisition Agreement dated June 25, 2018.

### **LEGAL MATTERS**

**Resolution No. 2019-04-02; Regarding the Imposition of District Fees:** The Board discussed Resolution No. 2019-04-02; Regarding the Imposition of District Fees.

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-04-02; Regarding the Imposition of District Fees.

**Issuance of District's General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2019A and the District's Subordinate General Obligation Limited Tax Bonds, Series 2019B:** The Board reviewed a resolution authorizing the issuance of the District's General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2019A and the District's Subordinate General Obligation Limited Tax Bonds, Series 2019B for the purpose of paying or reimbursing the costs of public improvements for the District and authorizing the execution of; indentures of trust; a bond purchase agreement; a capital pledge agreement between the District and East Creek Metropolitan District No. 2 ("District No. 2") by which District No. 2 obligates itself to impose taxes and pay over such taxes to the District for the purpose of paying bonds; and all other agreements, documents, instruments, certificates, aforementioned bonds.

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the Board approved the Resolution authorizing the issuance of the District's General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2019A and the District's Subordinate General Obligation Limited Tax Bonds, Series 2019 B in the approximate aggregate principal amount of \$5,500,000 for the purpose of paying or reimbursing the costs of public improvements for the District and authorized the execution of; indentures of trust; a bond purchase agreement; a capital pledge agreement between the District and District

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No. 2 by which District No. 2 obligates itself to impose taxes and pay over such taxes to the District for the purpose of paying bonds; and all other agreements, documents, instruments, certificates, aforementioned bonds.

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### COVENANT ENFORCEMENT/ DESIGN REVIEW

**Resolution No. 2019-04-03; Acknowledging and Adopting the Declaration of Covenants, Conditions and Restrictions for East Creek:** The Board discussed Resolution No. 2019-04-03; Acknowledging and Adopting the Declaration of Covenants, Conditions, and Restrictions for East Creek.

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-04-03; Acknowledging and Adopting the Declaration of Covenants, Conditions, and Restrictions for East Creek.

**Resolution No. 2019-04-04; Adopting Policies and Procedures Governing the Enforcement of the Protective Covenants of East Creek:** The Board discussed Resolution No. 2019-04-04; Adopting Policies and Procedures Governing the Enforcement of the Protective Covenants of East Creek.

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-04-04; Adopting Policies and Procedures Governing the Enforcement of the Protective Covenants of East Creek, subject to final review by legal counsel.

**Resolution No. 2019-04-05; Adopting East Creek Rules and Regulations:** The Board discussed Resolution No. 2019-04-05; Adopting East Creek Rules and Regulations.

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-04-05; Adopting East Creek Rules and Regulations, subject to final review by legal counsel.

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### CONSTRUCTION MATTERS

**2019 Development / Construction Outlook:** Director Bird gave an update on development for 2019.

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### OTHER BUSINESS

There was no other business for discussion at this time.

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### ADJOURNMENT

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

Respectfully submitted,

By   
Secretary for the Meeting

RESOLUTION TO AMEND 2019 BUDGET  
EAST CREEK METROPOLITAN DISTRICT NO. 1

WHEREAS, the Board of Directors of the East Creek Metropolitan District No. 1 adopted a budget and appropriated funds for the fiscal year 2019 as follows:

General Fund	\$	110,726
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WHEREAS, the necessity has arisen to establish a Debt Service Fund and Capital Projects Fund requiring the unanticipated expenditure of funds for the fiscal year 2019; 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 Bond proceeds; and

WHEREAS, funds are available for such expenditures in the Capital Projects Fund from Bond proceeds; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the East Creek Metropolitan District No. 1 shall and hereby does amend the adopted Budget for the fiscal year 2019 and adopts a supplemental budget and appropriation for the Debt Service Fund and Capital Projects Fund for the fiscal year 2019, as follows:

Debt Service Fund	\$	5,000,000
Capital Projects Fund	\$	5,000,000

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 10th day of April, 2019.

EAST CREEK METROPOLITAN DISTRICT NO. 1

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



Secretary

**RESOLUTION NO. 2019-04-02**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EAST CREEK METROPOLITAN DISTRICT NO. 1 REGARDING THE  
IMPOSITION OF DISTRICT FEES**

A. East Creek Metropolitan District No. 1 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado located in the City of Aurora, Colorado.

B. The District’s boundaries are described in the legal description attached hereto as Exhibit A, which legal description may be amended from time to time, pursuant to the inclusion and/or exclusion of property into or from the District (the “**Property**”).

C. The District, pursuant to its Service Plan and the Intergovernmental Agreement with the City of Aurora, is authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance and provide for the operation and maintenance of certain street improvements, safety protection improvements, park and recreation improvements and related irrigation systems, television relay and translator facilities, and mosquito and pest control systems (the “**District Improvements**”).

D. The Property will benefit from the District Improvements and the Districts’ operation and maintenance of the same.

E. The District is authorized pursuant to Section 32-1-1001(1)(j)(I), C.R.S., and its Service Plan to fix fees and charges for capital costs and operation and maintenance costs.

F. The District has determined that, to meet the costs associated with the District Improvements and the cost of operating and maintaining the District Improvements, it is necessary to impose an Operations and Maintenance Fee and a Capital Working Fee on the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE EAST CREEK METROPOLITAN DISTRICT NO. 1, ARAPAHOE COUNTY, COLORADO, AS FOLLOWS:

1. The Board of Directors hereby finds, determines and declares that it is in the best interests of the District, its inhabitants and taxpayers to exercise its power by imposing the following fees:

(a) Operations Fee.

(i) The Board hereby imposes an Operations and Maintenance Fee (the “**Operations Fee**”) in the amount of \$720.00 per year on each residential lot (each, a “**Lot**”) within the District. The District reserves the right to amend this resolution in the future to increase or decrease the amount of the Operations Fee.

(ii) An invoice for the Operations Fee payable for the full calendar year will be mailed to each property owner (“**Owner**”) on or before the 1st day of January each year (the “**Bill Date**”). The Owner shall have the right to pay the Operations Fee for said calendar year in one installment on or before January 15th, in which event, the Owner shall be entitled to a five percent (5%) discount. Alternatively, the Owner may pay in twelve (12) monthly installments of \$60.00 each which shall be due on or before the 15<sup>th</sup> of each month and shall be prorated for any partial month. If



payment in full is not received by the 30<sup>th</sup> day of any calendar month (the "**Past Due Date**"), the fee is deemed past due and otherwise outstanding. A "Reminder Notice" may be, but is not required to be, sent at such time.

(iii) Failure to make payment of any Operations Fees due hereunder shall constitute a default in the payment of such Operations Fees. Upon default, simple interest shall accrue on such unpaid installment of the Operations Fee due at the rate of eighteen (18%) percent per annum until paid, as permitted by Section 29-1-1102(7), C.R.S.

(iv) If the Owner does not make payment of all past due amounts, including interest (the "**Delinquent Balance**"), within 60 days from the Past Due Date, the District may deliver to the Owner a Notice of Intent to File a Lien Statement (a "**Lien Notice**"). The Lien Notice shall give notice to the Owner that the District intends to perfect its lien against the Property by recording a Lien Statement in the office of the Adams County Clerk and Recorder if the Delinquent Balance is not paid in full within thirty (30) days after said Lien Notice is served upon Owner by certified mail, return receipt requested, pursuant to Section 38-22-109(3), C.R.S.

(b) Working Capital Fee.

(i) The Board hereby imposes a Working Capital Fee (the "**Working Capital Fee**") and, collectively with the Operations Fee, the "**Fees**") in the amount of \$300.00 per Lot and shall be due and payable at the time of any sale, transfer or re-sale of any single-family dwelling unit constructed on a Lot which has a certificate of occupancy.

2. The Fees shall not be imposed on real property actually conveyed or dedicated to non-profit owners' associations, governmental entities or utility providers.

3. The Fees shall constitute a statutory and perpetual charge and lien upon the Property pursuant to Section 32-1-1001(1)(j), C.R.S., from the date the same becomes due and payable until paid. The lien shall be perpetual in nature as defined by the laws of the State of Colorado on the Property and shall run with the land and such lien may be foreclosed by the District in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens. This Resolution shall be recorded in the real property records of the Clerk and Recorder of Arapahoe County, Colorado.

4. The District shall be entitled to institute such remedies and collection proceedings as may be authorized under Colorado law, including, but not limited to, foreclosure of its perpetual lien. The defaulting Owner shall pay all costs, including attorney fees, incurred by the District in connection with the foregoing. In foreclosing such lien, the District will enforce the lien only to the extent necessary to collect the Delinquent Balance and costs of collection (including, but not limited to, reasonable attorney fees).

5. Judicial invalidation of any of the provisions of the Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstances shall not affect the validity of the remainder of the Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

6. Any inquiries pertaining to the Fees may be directed to the District's Manager at: Lisa Johnson, Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, phone number: 303-987-0835.

7. This Resolution shall take effect immediately upon its adoption and approval.

APPROVED AND ADOPTED THIS 10 day of April, 2019.

**EAST CREEK METROPOLITAN DISTRICT  
NO. 1**, a quasi-municipal corporation and  
political subdivision of the State of Colorado

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

Attest:

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

**EXHIBIT A**

**Legal Description of the Property**

Lots 1 through 13, inclusive, Block 1,  
Lots 1 through 5, inclusive, Block 2,  
Lots 1 through 22, inclusive, Block 3,  
Lots 1 through 24, inclusive, Block 4,  
Lots 1 through 20, inclusive, Block 5,  
Lots 1 through 20, inclusive, Block 6,  
Lots 1 through 26, inclusive, Block 7,  
Lots 1 through 16, inclusive, Block 8,  
East Creek Subdivision Filing No. 1,  
County of Arapahoe, State of Colorado

RESOLUTION NO. 2019-04-03

**RESOLUTION OF EAST CREEK METROPOLITAN DISTRICT NO. 1  
ACKNOWLEDGING AND ADOPTING THE DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR EAST CREEK**

1. East Creek Metropolitan District No. 1 (the “**District**”) is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to Title 32, Article 1 of the Colorado Revised Statutes, as amended (“**C.R.S.**”).
2. Meritage Homes of Colorado, Inc., an Arizona corporation (the “**Developer**”), the master developer of the East Creek project (the “**Property**”) has executed a Declaration of Covenants, Conditions and Restrictions for East Creek (the “**Declaration**”) for the Property recorded in the real property records of Arapahoe County, State of Colorado, on March 22, 2019 at Reception No. D9024748, as the same may be amended from time to time, and which Declaration declares that the Property is and shall be subject to the Declaration and shall be owned, held, conveyed, encumbered, leased, improved, used, occupied, enjoyed, sold, transferred, hypothecated, maintained, altered and otherwise enjoyed in accordance with and subject to the covenants and use restrictions contained therein.
3. The Declaration provides that East Creek Metropolitan District No. 1 shall enforce each of the provisions provided therein.
4. Section 32-1-1004(8), C.R.S. authorizes Title 32 metropolitan districts to furnish covenant enforcement and design review services within the district if the declaration, rules and regulations, or similar document containing the covenants to be enforced for the area within the metropolitan district named the district as the enforcement or design review entity.
5. The Declaration assigns to the District all duties, rights and obligations to enforce the Declaration and to promulgate the Guidelines with respect to real property within the boundaries of the District that is subject to the Declaration.
6. The Board of Directors of the District (the “**Board**”) wishes to adopt the Declaration as an official policy of the District and to acknowledge the duties, obligations and rights assigned to the District pursuant to such Declaration.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE EAST CREEK METROPOLITAN DISTRICT NO. 1, COUNTY OF ARAPAHOE, COLORADO, AS FOLLOWS:

1. The foregoing Recitals are incorporated into and made a substantive part of this Resolution.
2. The Board hereby determines that it is in the best interests of the District and its property owners and users for the District to accept the assignment of all duties, rights and obligations under the Declaration and to provide the covenant enforcement and design review services established thereby.

3. The Board hereby authorizes and directs the officers of the District and District staff to take all actions necessary to execute the duties, rights and obligations assigned to the District by the Declaration.

4. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word hereof, or the application thereof in any given circumstance, shall not affect the validity of the remainder of this Resolution, which shall be given effect in accordance with the manifest intent hereof.

5. This Resolution shall be effective upon recording of the Declaration in the Office of the Clerk and Recorder for Arapahoe County, Colorado.

**[SIGNATURE PAGE FOLLOWS]**

[SIGNATURE PAGE TO RESOLUTION OF  
EAST CREEK METROPOLITAN DISTRICT NO. 1  
ACKNOWLEDGING AND ADOPTING THE DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR EAST CREEK]

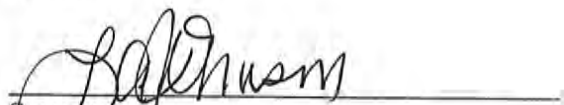
APPROVED AND ADOPTED on 4-10, 2019.

EAST CREEK METROPOLITAN  
DISTRICT NO. 1

By:

  
\_\_\_\_\_  
President

Attest:

  
\_\_\_\_\_  
Secretary