

RESOLUTION NO. 2023-07-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF EAST CREEK METROPOLITAN DISTRICT NO. 1 INITIATING CONSOLIDATION WITH EAST CREEK METROPOLITAN DISTRICT NO. 2

A. East Creek Metropolitan District No. 1 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado and operates pursuant to its Service Plan, which was approved by the City Council of the City of Aurora, Arapahoe County, Colorado, on March 5, 2018, and pursuant to the Colorado Revised Statutes.

B. The District was organized on June 18, 2018, for the purpose of providing for the financing, acquisition, construction, installation, and completion of certain public improvements, to approximately 33.0 acres of residential land.

C. East Creek Metropolitan District No. 2 (the “**District No. 2**”, together with the District, the “**Districts**”) is a quasi-municipal corporation and political subdivision of the State of Colorado and operates pursuant to its Service Plan, which was approved by the City Council of the City of Aurora, Arapahoe County, Colorado, on March 5, 2018, and pursuant to the Colorado Revised Statutes.

D. District No. 2 was organized on June 18, 2018, for the purpose of providing for the financing, acquisition, construction, installation, and completion of certain public improvements, to approximately 3.0 acres of commercial land.

E. The public improvements, as contemplated in the Service Plans, have been completed.

F. The District owns, operates and maintains certain tracts of real property, park and recreation improvements and landscape, access and drainage improvements, and provides covenants enforcement services.

G. On April 16, 2019, the District issued \$4,010,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2019A and \$584,000 Subordinate General Obligation Limited Tax Bonds, Series 2019B (the “**2019 Bonds**”).

H. On April 16, 2019, the Districts entered into a Capital Pledge Agreement (the “**Capital Pledge Agreement**”), whereby District No. 2 is obligated to levy on all taxable property within District No. 2 the amount of the Mandatory Capital Levy (as defined in the Capital Pledge Agreement) until termination of the Capital Pledge Agreement on December 16, 2058.

I. On April 13, 2023, the District entered into a Loan Agreement with Zions Bancorporation, N.A., d/b/a/ Vectra Bank Colorado in the amount of \$4,600,000 for the purpose of refunding the 2019 Bonds.

J. No services are required to be provided to the property within the boundaries of District No. 2. District No. 2's sole obligation is to impose the Mandatory Capital Levy required under the Capital Pledge Agreement.

K. Section 32-1-602, C.R.S., provides that the two or more special districts may be consolidated into a single consolidated district.

L. The District's Board of Directors (the "**Board**") has determined that it is in the best interests of the District that District No. 2 be consolidated with the District so that the Districts may be operated effectively and economically as a consolidated district and that the public health, safety, prosperity, and general welfare of the inhabitants of the Districts will be better served by the consolidation.

M. The proposed name of the consolidated district shall be East Creek Consolidated Metropolitan District.

N. The property located within District No. 2 shall be included within the proposed consolidated district ("**Inclusion Property**").

O. The Board of directors of the consolidated district will consist of five (5) board members.

P. The consolidated district shall impose on the Inclusion Property the required Mandatory Capital Levy required under the Capital Pledge Agreement.

Q. Pursuant to Section 32-1-602(2)(a), C.R.S., District No. 2 shall approve this Resolution Initiating Consolidation not later than six (6) months after the date of adoption thereof in order to be included within the District.

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

1. The Board hereby determines that it is in the best interests of the District that District No. 2 be consolidated with the District so that the Districts be operated effectively and economically as a consolidated district and that the public health, safety, prosperity, and general welfare of the inhabitants of the Districts will be better served by the consolidation.

2. The name of the consolidated district shall be East Creek Consolidated Metropolitan District.

3. The Inclusion Property shall be included within the proposed consolidated district.

4. The Board of directors of the consolidated district will consist of five (5) board members.

5. The consolidated district shall impose on the Inclusion Property the required Mandatory Capital Levy required under the Capital Pledge Agreement.

6. Pursuant to Section 32-1-602(2)(a), C.R.S., District No. 2 shall approve this Resolution Initiating Consolidation not later than six (6) months after the date of adoption thereof in order to be included within the District.

7. Judicial invalidation of any of the provisions of this 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 this Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

8. This Resolution shall be in full force and effect immediately upon the date of adoption by the Board, as set forth on the signature page below.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION OF THE BOARD OF DIRECTORS OF EAST CREEK METROPOLITAN DISTRICT NO. 1 INITIATING CONSOLIDATION WITH EAST CREEK METROPOLITAN DISTRICT NO. 2]

RESOLUTION APPROVED AND ADOPTED on July 27, 2023.

EAST CREEK METROPOLITAN DISTRICT NO. 1

By: Gregory Wright

President

Attest:



Secretary