RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
EAST CREEK METROPOLITAN DISTRICT NO. 2
(THE "DISTRICT")
HELD
OCTOBER 28, 2019

A special meeting of the Board of Directors of the East Creek Metropolitan District No. 2 (the "District") was convened on Wednesday, October 28, 2019, at 3:00 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. 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, Peggy Ripko, and Jim Ruthven; Special District Management Services, Inc. ("SDMS")

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

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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 District's special meeting.

Following discussion, upon motion duly made by Director Nier, seconded by Director Bird and, upon vote, unanimously carried, the Board approved the Agenda 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 Nier, seconded by Director Bird and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within the District's boundaries 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 within the boundaries of the District and the District has not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within the District's boundaries.

Minutes: The Board reviewed the minutes of the April 3, 2019 special meeting/work session and April 10, 2019 continued special meeting.

Following discussion, upon motion duly made by Director Nier, seconded by Director Bird and, upon vote, unanimously carried, the Board approved the minutes of the April 3, 2019 special meeting/work session and April 10, 2019 continued special meeting

2019 Legislation Regarding Posting of 24-Hour Meeting Notices: Attorney Williams reviewed with the Board the recent change in legislation that authorizes the posting of meeting notices on the District's website as opposed to in three (3) physical locations within the boundaries of the District. Attorney Williams noted that the statute does require designating one (1) physical location for the posting of notices in the event the District's website is not functioning and posting on the website cannot occur.

Eligible Governmental Entity Agreement ("EGE") between the District and The Statewide Internet Portal Authority ("SIPA") of the State of Colorado: The Board discussed an EGE between the District and SIPA for the establishment of a District website. It was noted that the District already has a website through SIPA, www.colorado.gov/eastcreekmd.

Resolution No. 2019-10-01; Establishing 2020 Regular Meeting Dates, Time and Location, Establishing District Website, and Designating Location for Posting of 24-Hour Notices: The Board discussed Resolution No. 2019-10-01; Establishing 2020 Regular Meeting Dates, Time and Location, Establishing District Website, and Designating Location for Posting of 24-Hour Notices.

Following discussion, upon motion duly made by Director Nier, seconded by Director Bird and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-10-01; Establishing 2020 Regular Meeting Dates, Time and Location, Establishing District Website, and Designating Location for Posting of 24-Hour Notices. The Board determined these meetings to be held on the last Monday of June and October, 2020 at 5:00 p.m. at the Meritage Model Home located at 16533 East Virginia Ave., Aurora, Colorado, 80017.

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2020: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2020.

Following discussion, the Board directed staff to post on the SDA Website and the District Website.

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FINANCIAL MATTERS

2019 Application for Exemption from 2019 Audit: The Board discussed the appointment of the District Accountant to prepare the Application for Exemption from 2019 Audit.

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare and file the Application for Exemption from 2019 Audit. It was noted that if an audit is needed the staff would solicit proposals.

2019 Budget Amendment Hearing: The President opened the public hearing to consider the 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, it was noted that the 2019 Budget Amendment was not necessary.

2020 Budget Hearing: The President opened the public hearing to consider the proposed 2020 Budget and discuss related issues.

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

No public comments were received and the public hearing was closed.

Mr. Ruthven reviewed the estimated 2019 expenditures and the proposed 2020 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2019-10-02; to Adopt the 2020 Budget and Appropriate Sums of Money and Resolution No. 2019-10-03; to Set Mill Levies (for the General Fund at 10.000 mills and the Debt Service Fund at 30.000 mills, and ARI mill levy at 1.000 mills for a total mill levy of 41.000 mills). Upon motion duly made by Director Nier, seconded by Director Bird and, upon vote, unanimously carried, the Resolutions to Adopt 2020 Budget and Set Mill Levies 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, 2019. Ms. Johnson was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Arapahoe County and the Division of Local Government, not later than December 15, 2019. Ms. Johnson was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30**,** 2020. 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 Nier**,** seconded by Director Bird 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

Resolution No. 2019-10-04; Calling a Regular Election for Directors on May 5, 2020: Attorney Williams presented to the Board Resolution No. 2019-10-04.

Following discussion, upon motion duly made by Director Nier, seconded by Director Bird and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-10-04 to Call the May 5, 2020 Election and appointed Lisa A. Johnson as the Designated Election Official ("DEO") and authorized her to perform all tasks

required for the May 5, 2020 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

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CONSTRUCTION MATTERS

2019 Development / Construction Outlook: Director Bird gave an update. No action was taken.

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OTHER BUSINESS MATTERS

There were no other business matters 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, seconded, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting