

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2 HELD NOVEMBER 17, 2020

A Special Meeting of the Board of Directors (referred to hereafter as the “Board”) of the Denargo Market Metropolitan District No. 1 (referred to hereafter as the “District”) was held on Tuesday, the 17th day of November, 2020, at 4:30 p.m. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held and properly noticed to be held via telephone conference and Zoom meeting. The meeting was open to the public telephonically.

ATTENDANCE

Directors In Attendance Were:

Laura H. Newman
Donald D. Cabrera
Jeffrey D. Jones
David H. Smith
Todd T. Wenskoski

Also In Attendance Were:

Ann E. Finn and Matt Cohrs; Special District Management Services, Inc.
 (“SDMS”)

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

Jason Carroll and Matt Vigil; CliftonLarsonAllen LLP

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. Attorney Williams noted that disclosures of potential conflicts of interest statements for each of the Directors had been 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. It was noted for the record that there were no additional 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 in accordance with the statutes.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn reviewed with the Board a proposed Agenda for the District's Special Meeting.

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

Approval of Meeting Location: The Board entered into 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 Jones, seconded by Director Smith and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of COVID-19 and the benefits to the control of the virus by limiting in-person contact, this meeting was conducted by teleconference. The Board further noted that notice of the time, date and teleconference information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed were received from taxpaying electors within the District's boundaries.

Minutes: The Board reviewed the Minutes of the June 16, 2020 Special Meeting.

Following discussion, upon motion duly made by Director Jones, seconded by Director Wenskoski and, upon vote, unanimously carried, the Minutes of the June 16, 2020 Special Meeting were approved, as presented.

Resolution Establishing Regular Meeting Dates, Times and Location, and Designating Location for Posting 24-Hour Notices: The Board discussed Resolution No. 2020-11-01; Establishing Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 24-Hour Notices.

Ms. Finn reviewed the business to be conducted in 2021 to meet the statutory compliance requirements. The Board, determined to meet on June 15, 2021 and November 16, 2021 at 4:30 p.m., at The Waterford RiNo, 2797 Wewatta Way, Denver, Colorado 80216.

Following discussion, upon motion duly made by Director Jones, seconded by Director Wenskoski and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-01; Establishing Regular Meeting Dates, Times and Location, and Designating Location for Posting of 24-Hour Notices. A copy of the Resolution is attached hereto and incorporated herein by this reference.

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§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2019: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2019.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote, unanimously carried, the Board determined to post the required transparency notice information on the Special District Association's website and the District website.

**PUBLIC
COMMENT**

There were no public comments.

**FINANCIAL
MATTERS**

2020 Audit: The Board reviewed the proposal from Dazzio & Associates PC to perform the 2020 Audit.

Following discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote, unanimously carried, the Board approved the engagement of Dazzio & Associates PC to perform the 2020 Audit, for an amount not to exceed \$4,500.

Unaudited Financial Statements: Mr. Vigil reviewed with the Board the unaudited financial statements through the period ending September 30, 2020 and Schedule of Cash Position, updated as of November 9, 2020.

Following review, upon motion duly made by Director Wenskoski, seconded by Director Newman and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through the period ending September 30, 2020 and Schedule of Cash Position, updated as of November 9, 2020.

2020 Budget Amendment Hearing: The President opened the public hearing to consider a 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 or at this public hearing. No public comments were received and the President closed the public hearing.

Follow review and discussion, the Board determined that an amendment to the 2020 Budget was not necessary.

RECORD OF PROCEEDINGS

2021 Budget Hearing: The President opened the public hearing to consider the proposed 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2021 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 or at this public hearing. No public comments were received and the President closed the public hearing.

Mr. Vigil reviewed the estimated year-end 2020 revenues and expenditures and the proposed 2021 estimated revenues and expenditures.

The Board discussed the mill levy and determined that no mill levy will be certified.

Following discussion, the Board considered the adoption of the Resolution to Adopt the 2021 Budget and Appropriate Sums of Money. Upon motion duly made by Director Smith, seconded by Director Cabrera and, upon vote, unanimously carried, Resolution No. 2020-11-02; Resolution to Adopt the 2021 Budget and Appropriate Sums of Money and Resolution No. 2020-11-03; Resolution to Set Mill Levies were adopted, as discussed, and execution of the Certification of Budget was authorized. Ms. Finn was authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2021. A copy of the adopted Resolution is attached to these Minutes and incorporated herein by this reference.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3: The Board reviewed Resolution No. 2020-11-04, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3.

Following discussion, upon motion duly made by Director Smith, seconded by Director Cabrera and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-04, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3. A copy of the adopted Resolution is 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 City and County of Denver Assessor.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Smith, seconded by Director Cabrera 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 City and County of Denver Assessor.

Preparation of the 2022 Budget: The Board discussed preparation of the 2022 Budget.

Following discussion, upon motion duly made by Director Smith, seconded by Director Cabrera, and upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2022 Budget.

LEGAL MATTERS

There were no legal matters to discuss.

OTHER MATTERS

Annual Meeting for Property Owners: Ms. Finn reported that the 2020 Annual Property Owners Meeting Notice was published on October 2, 2020. It was noted that no property owners were in attendance.

ADJOURNMENT

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

Respectfully submitted,

By: *Ann Finn*
Secretary for the Meeting

RESOLUTION NO. 2020 - 11 - 01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings ("**Notice of Meeting**") will be physically posted at least 24 hours prior to each meeting ("**Designated Public Place**"). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

C. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online on a public website of the special district ("**District Website**") at least 24 hours prior to each regular and special meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

E. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

F. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Denargo Market Metropolitan District No. 2 (the "**District**"), City and County of Denver, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2021 shall be held on June 15, 2021 and November 16, 2021 at 4:30 p.m., at the AMLI Denargo Market Apartment Complex, 2525 Wewatta Way in the City and County of Denver, Colorado.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District has established the following District Website, <https://www.colorado.gov/denargo>, and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to each regular and special meeting pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

8. That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) At the park located at the intersection of 28th Street and Delgany Street.

9. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on November 17th, 2020.

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 2**







By: 
President

Attest:


Secretary

| | |
|--------------------------------|--|
| TITLE | Denargo Market MD No. 2, 2020 Adopted Resolutions and... |
| FILE NAME | 2020 First ...olution.pdf and 3 others |
| DOCUMENT ID | 2bf3b34435b576c7b60b551ddd5a8886843c6f9 |
| AUDIT TRAIL DATE FORMAT | MM / DD / YYYY |
| STATUS | ● Completed |

Document History

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|--|---------------------------------------|--|
|  SENT | 02 / 05 / 2021 16:32:35 UTC | Sent for signature to Laura H. Newman (lnewman@goco.com) and Ann Finn (afinn@sdmsi.com) from apadilla@sdmsi.com IP: 50.78.200.153 |
|  VIEWED | 02 / 05 / 2021 16:34:54 UTC | Viewed by Ann Finn (afinn@sdmsi.com) IP: 50.78.200.153 |
|  SIGNED | 02 / 05 / 2021 16:36:42 UTC | Signed by Ann Finn (afinn@sdmsi.com) IP: 50.78.200.153 |
|  VIEWED | 02 / 05 / 2021 20:57:04 UTC | Viewed by Laura H. Newman (lnewman@goco.com) IP: 38.104.242.42 |
|  SIGNED | 02 / 05 / 2021 20:57:24 UTC | Signed by Laura H. Newman (lnewman@goco.com) IP: 38.104.242.42 |
|  COMPLETED | 02 / 05 / 2021 20:57:24 UTC | The document has been completed. |

RESOLUTION NO. 2020 - 11 - 02
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2
TO ADOPT THE 2021 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Denargo Market Metropolitan District No. 2 (“District”) has appointed the District Accountant to prepare and submit a proposed 2021 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, 2020, 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 17, 2020, 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 Denargo Market Metropolitan District No. 2:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Denargo Market Metropolitan District No. 2 for the 2021 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 17th day of November, 2020.

Ann Finn

Secretary

(SEAL)

EXHIBIT A
(Budget)

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/30/20

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|------------------|-------------------|-------------------|
| BEGINNING FUND BALANCES | \$ 6,031 | \$ 28,992 | \$ 220,581 |
| REVENUES | | | |
| Property taxes | 773,967 | 1,052,762 | 1,089,038 |
| Specific ownership tax | 56,080 | 63,166 | 54,452 |
| Interest income | 5,394 | 1,588 | 5,300 |
| Proceeds from Loan | 489,456 | - | - |
| Total revenues | <u>1,324,897</u> | <u>1,117,516</u> | <u>1,148,790</u> |
| Total funds available | <u>1,330,928</u> | <u>1,146,508</u> | <u>1,369,371</u> |
| EXPENDITURES | | | |
| General Fund | 206,650 | 297,877 | 284,611 |
| Debt Service Fund | 1,095,286 | 628,050 | 545,430 |
| Total expenditures | <u>1,301,936</u> | <u>925,927</u> | <u>830,041</u> |
| Total expenditures and transfers out requiring appropriation | <u>1,301,936</u> | <u>925,927</u> | <u>830,041</u> |
| ENDING FUND BALANCES | <u>\$ 28,992</u> | <u>\$ 220,581</u> | <u>\$ 539,330</u> |

No assurance provided. See summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

12/30/20

| ACTUAL | ESTIMATED | BUDGET |
|--------|-----------|--------|
| 2019 | 2020 | 2021 |

ASSESSED VALUATION

| | | | |
|--------------------------|---------------|---------------|---------------|
| Residential | \$ 18,878,110 | \$ 25,097,960 | \$ 23,164,200 |
| State assessed | 355,500 | 350,300 | 451,940 |
| Vacant land | - | - | 151,730 |
| Personal property | 115,550 | 98,640 | 873,780 |
| Certified Assessed Value | \$ 19,349,160 | \$ 25,546,900 | \$ 24,641,650 |

MILL LEVY

| | | | |
|-----------------|--------|--------|--------|
| General | 10.000 | 11.000 | 11.000 |
| Debt Service | 30.000 | 30.209 | 33.195 |
| Total mill levy | 40.000 | 41.209 | 44.195 |

PROPERTY TAXES

| | | | |
|-------------------------|------------|--------------|--------------|
| General | \$ 193,492 | \$ 281,016 | \$ 271,058 |
| Debt Service | 580,475 | 771,746 | 817,980 |
| Budgeted property taxes | \$ 773,967 | \$ 1,052,762 | \$ 1,089,038 |

BUDGETED PROPERTY TAXES

| | | | |
|--------------|------------|--------------|--------------|
| General | \$ 193,492 | \$ 281,016 | \$ 271,058 |
| Debt Service | 580,475 | 771,746 | 817,980 |
| | \$ 773,967 | \$ 1,052,762 | \$ 1,089,038 |

No assurance provided. See summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

12/30/20

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ (862) | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | 193,492 | 281,016 | 271,058 |
| Specific ownership tax | 14,020 | 16,861 | 13,553 |
| Total revenues | <u>207,512</u> | <u>297,877</u> | <u>284,611</u> |
| Total funds available | <u>206,650</u> | <u>297,877</u> | <u>284,611</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | 1,935 | 2,810 | 2,711 |
| Transfers to District No. 1 | 204,715 | 295,067 | 281,900 |
| Total expenditures | <u>206,650</u> | <u>297,877</u> | <u>284,611</u> |
| Total expenditures and transfers out requiring appropriation | <u>206,650</u> | <u>297,877</u> | <u>284,611</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

12/30/20

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ 6,893 | \$ 28,992 | \$ 220,581 |
| REVENUES | | | |
| Property taxes | 580,475 | 771,746 | 817,980 |
| Specific ownership tax | 42,060 | 46,305 | 40,899 |
| Interest income | 5,394 | 1,588 | 5,300 |
| Proceeds from loan | 489,456 | - | - |
| Total revenues | 1,117,385 | 819,639 | 864,179 |
| Total funds available | 1,124,278 | 848,631 | 1,084,760 |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | 5,805 | 7,717 | 8,180 |
| Paying Agent Fees | 4,500 | 2,000 | 2,000 |
| Cost of issuance | 5,895 | - | - |
| Non use fees | 14,886 | 16,000 | 16,000 |
| Note Interest - 2016A | 345,541 | 340,363 | 332,452 |
| Note Interest - 2016B | 32,985 | 42,942 | 41,885 |
| Transfers to District No. 1 | 472,971 | - | - |
| Contingency | - | - | 3,177 |
| Debt Service | | | |
| Note principal 2016A | 175,000 | 200,000 | 125,000 |
| Note principal 2016B | 37,703 | 19,028 | 16,736 |
| Total expenditures | 1,095,286 | 628,050 | 545,430 |
| Total expenditures and transfers out requiring appropriation | 1,095,286 | 628,050 | 545,430 |
| ENDING FUND BALANCE | \$ 28,992 | \$ 220,581 | \$ 539,330 |

No assurance provided. See summary of significant assumptions.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation, was formed in June 2010, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Denver, Colorado.

The District was established to provide for acquisition, construction, and installation of water, sanitation, drainage, street improvements, parks and recreational facilities, television relay and translation, and mosquito control.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.50%.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, banking, and meeting expense.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

Debt Service

Principal and interest payments in 2021 are provided based on the debt amortization schedule from the Series 2016A and 2016B Bonds (discussed under Debts and Leases).

Debt and Leases

Series 2016 Bonds

\$10,000,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Improvement Loan, Series 2016A, dated September 29, 2016 {the Series 2016A Loan} as evidenced by a Loan Agreement between the District and ZB, N.A. dba Vectra Bank, Colorado {the Bank}.

Proceeds from the sale of the Series 2016A Loan were used for the purposes of (i) reimbursing a portion of the costs of certain public infrastructure incurred by District No. 1; (ii) paying the costs of issuance of the Series 2016A Loan and (iii) funding a portion of interest to accrue on the Series 2016A Loan.

Interest is payable on each June 1 and December 1 beginning on June 1, 2017 and continuing through December 1, 2046, based on a 360-day year and actual number of days elapsed in any applicable period.

The Series 2016A Loan is a variable rate loan in which the rate resets as follows:

(a) From September 29, 2016 to the First Rate Reset Date, being December 1, 2021, interest is at the rate of 3.4425% per annum.

(b) Thereafter, on each five-year anniversary being, December 1, 2026; December 1, 2031; December 1, 2036; and December 1, 2041, interest is equal to the Bank Qualified Tax-Exempt Rate, as defined in the Loan Agreement, computed by the Bank, on each such Rate Reset Date.

The Series 2016A Loan is secured by and payable solely from Pledged Revenues, which include: the (a) Required Mill Levy; (b) Specific Ownership Taxes; (c) System Development Fees; (d) Additional Revenue, if any; and (e) any other legally available moneys.

The Required Mill Levy is equal to an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of and interest on the Series 2016A Loan as the same become due and payable in the succeeding collection year but not greater than 40 mills and not less than the Minimum Mill Levy, defined as the lesser of (a) 30 mills or (b) the number of mills necessary to produce tax revenue in the applicable loan year in an amount which, when combined with the other net revenue budgeted to be received in such loan year, will cause the Debt Service Ratio, as defined in the Loan Agreement, to equal 1.25 times, provided that the foregoing maximum mill levy and Minimum Mill Levy may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation occurring after March 8, 2010 (being the date of the Service Plan) so that to the extent possible, the actual revenues generated by such minimum and maximum mill levies are neither diminished nor enhanced as a result of such changes.

Among other adjustments, a change in the ratio of actual valuation of assessable property shall be deemed a change in the method of calculating assessed valuation.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

The Series 2016A Loan is subject to prepayment on the following dates and under the following conditions:

(a) No Prepayment. During the first and second years after the closing date and during the first and second years of each five-year period occurring between Rate Reset Dates, the Series 2016A Loan shall not be prepaid. Specifically, the 2016A Loan may not be prepaid during the following periods:

- (i) from the Closing Date to but not including September 29, 2018;
- (ii) December 1, 2021 to but not including December 1, 2023;
- (iii) December 1, 2026 to but not including December 1, 2028;
- (iv) December 1, 2031 to but not including December 1, 2033;
- (v) December 1, 2036 to but not including December 1, 2038; and
- (vi) December 1, 2041 to but not including December 1, 2043.

(b) Prepayment with 1% Prepayment Fee. During the third year after the closing date and during the third year of each five-year period occurring between Rate Reset Dates, the Series 2016A Loan may be prepaid in whole, but not in part, upon payment of the then current loan balance plus accrued and unpaid interest thereon to the date of such prepayment, together with a prepayment fee equal to 1.0% of the loan balance during the following periods:

- (i) September 29, 2018 to but not including September 29, 2019;
- (ii) December 1, 2023 to but not including, December 1, 2024;
- (iii) December 1, 2028 to but not including December 1, 2029;
- (iv) December 1, 2033 to but not including December 1, 2034;
- (v) December 1, 2038 to but not including December 1, 2039; and
- (vi) December 1, 2043 to but not including December 1, 2044.

(c) Prepayment at Par. During the fourth and fifth years after the closing date and during the fourth and fifth years occurring between Rate Reset Dates, the Series 2016A Loan may be prepaid in whole, but not in part, upon payment of the then current Loan Balance plus accrued and unpaid interest thereon to the date of such prepayment, without prepayment fee, premium or penalty; provided, during the following periods:

- (i) September 29, 2019 to but not including December 1, 2021;
- (ii) December 1, 2024 to but not including December 2026;
- (iii) December 1, 2029 to but not including December 1, 2031;
- (iv) December 1, 2034 to but not including December 1, 2036;
- (v) December 1, 2039 to but not including December 1, 2041; and
- (vi) December 1, 2044 through and including the Maturity Date.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

\$8,000,000 Limited Tax {Convertible to Unlimited Tax} Taxable General Obligation Advancing Improvement Loan, Series 2016B, dated September 29, 2016 (the Series 2016B Loan) as evidenced by a Loan Agreement with the Bank, with a maturity date of December 1, 2046. The 2016B Loan is further evidenced by the 2016B-1 and 2016B-2 Notes.

The District is authorized to request advances from the Bank on the Series 2016B Loan only under the following circumstances:

1. Inclusion of additional property into the District - Real property has been legally included within the boundaries of the District after September 29, 2016. Additional property included in the District after September 29, 2016 will be eligible for Advances based on (1) Contributed Land; (2) Construction Buildings; and (3) Completed Buildings.
2. True-Up of Assessed Valuation - After receipt of the final certified assessed valuation for 2017 from the Denver County Assessor, if the Assessed Value of the District No. 2 Property has increased from the projected assessed valuation of \$14,315,606 for 2017 that was the basis for the funding of the 2016A Loan on September 29, 2016.
3. Real property has been legally included within the boundaries of District No. 1 or District No. 3 after September 29, 2016 and there exists a pledge to the Bank of additional revenue. Property included in the boundaries of District No. 1 and/or District No. 3 after September 29, 2016 will be eligible for Advances based on (1) Contributed Land; (2) Construction Buildings; and (3) Completed Buildings.

The District may make advance requests once each calendar quarter in amounts not less than \$250,000 for Construction Buildings and Completed Buildings. There shall be no minimum amount for Advance Requests relating to Contributed Land or to True-Up of Assessed Valuations.

The Series 2016B Loan is a variable rate loan with interest accruing at the taxable rate as follows: For advances made:

Prior to December 1, 2017 - 3.00% plus the five-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

On or after December 1, 2017 and November 30, 2018 - 3.00% plus the four-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

On or after December 1, 2018 and November 30, 2019 - 3.00% plus the three-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

On or after December 1, 2019 and November 30, 2020 - 3.00% plus the two-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

On or after December 1, 2020 and November 30, 2021 - 3.00% plus the one-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

Thereafter, on each rate reset on December 1, 2021, and each 5-year anniversary of such date until maturity, interest is 3.00% plus the five-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance

On December 9, 2016, the District entered into a Loan Pricing and Purchase Agreement whereby the interest rate on the 20168-1 Note was changed to the Bank Qualified Tax Exempt Rate, which is equal to the taxable rate, as defined above, multiplied by 75%.

The Series 2016B Loan is secured by and payable solely from the same Pledged Revenues as the Series 2016A Loan and follow the same prepayment conditions as the Series 2016A Loan. The Series 2016B Loan is parity debt to the Series 2016A Loan.

On December 27, 2017, the District received advances amounting to \$440,147. The advances are evidenced by the 2016B-1 and 2016B-2 Notes amounting to \$50,001 and \$390,146, respectively. Proceeds from the advances were used for the purposes of (i) reimbursing a portion of the costs of certain public infrastructure and operating costs incurred by District No. 1; (ii) paying the costs of issuance of the Series 2016B advances and (iii) funding a portion of interest to accrue on the Series 2016B-1 and 2016B-2 Notes.

On June 21, 2019, the District received advances amounting to \$489,456. The advances are evidenced by the 2016B-2 Notes amounting to \$319,009 and \$170,447, respectively. Proceeds from the advances were used for the purposes of (i) reimbursing a portion of the District formation costs; (ii) reimbursing District operating costs and (iii) paying the costs of issuance of the Series 2016B-2 advances.

Reserve Fund

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all operating funds received by the District are transferred to District No. 1, which pays for all Districts' operations and maintenance costs, an emergency reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021**

**\$10,000,000
General Obligation Limited Tax Convertible to
Unlimited Tax Bonds Dated September 29, 2016
Series 2016A
Interest Rate of 3.4425%
Payable June 1 and December 1
Principal Payable December 1**

| Year Ending December 31, | Principal | Interest | Total |
|-------------------------------------|---------------------|---------------------|----------------------|
| 2021 | \$ 125,000 | \$ 332,452 | \$ 457,452 |
| 2022 | 150,000 | 328,089 | 478,089 |
| 2023 | 175,000 | 322,853 | 497,853 |
| 2024 | 175,000 | 317,614 | 492,614 |
| 2025 | 200,000 | 310,638 | 510,638 |
| 2026 | 150,000 | 303,657 | 453,657 |
| 2027 | 175,000 | 298,422 | 473,422 |
| 2028 | 200,000 | 293,114 | 493,114 |
| 2029 | 225,000 | 285,333 | 510,333 |
| 2030 | 225,000 | 277,480 | 502,480 |
| 2031 | 250,000 | 269,627 | 519,627 |
| 2032 | 300,000 | 261,616 | 561,616 |
| 2033 | 300,000 | 250,431 | 550,431 |
| 2034 | 325,000 | 239,959 | 564,959 |
| 2035 | 350,000 | 228,615 | 578,615 |
| 2036 | 400,000 | 216,992 | 616,992 |
| 2037 | 425,000 | 202,438 | 627,438 |
| 2038 | 450,000 | 187,604 | 637,604 |
| 2039 | 475,000 | 171,898 | 646,898 |
| 2040 | 525,000 | 155,744 | 680,744 |
| 2041 | 550,000 | 136,995 | 686,995 |
| 2042 | 600,000 | 117,798 | 717,798 |
| 2043 | 625,000 | 96,856 | 721,856 |
| 2044 | 700,000 | 75,247 | 775,247 |
| 2045 | 725,000 | 50,610 | 775,610 |
| 2046 | 725,000 | 25,305 | 750,305 |
| | \$ 9,525,000 | \$ 5,757,387 | \$ 15,282,387 |

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021**

**\$50,001
General Obligation Limited Tax Convertible to
Unlimited Tax Bonds Dated September 29, 2016
Series 2016B-1
Interest Rate of 4.0875%
Payable June 1 and December 1
Principal Payable December 1**

| Year Ending December 31, | Principal | Interest | Total |
|-------------------------------------|------------------|------------------|------------------|
| 2021 | \$ 625 | \$ 1,974 | \$ 2,599 |
| 2022 | 750 | 1,948 | 2,698 |
| 2023 | 875 | 1,917 | 2,792 |
| 2024 | 875 | 1,886 | 2,761 |
| 2025 | 1,000 | 1,844 | 2,844 |
| 2026 | 750 | 1,803 | 2,553 |
| 2027 | 875 | 1,772 | 2,647 |
| 2028 | 1,000 | 1,740 | 2,740 |
| 2029 | 1,125 | 1,694 | 2,819 |
| 2030 | 1,125 | 1,647 | 2,772 |
| 2031 | 1,250 | 1,601 | 2,851 |
| 2032 | 1,500 | 1,553 | 3,053 |
| 2033 | 1,500 | 1,487 | 2,987 |
| 2034 | 1,625 | 1,425 | 3,050 |
| 2035 | 1,750 | 1,357 | 3,107 |
| 2036 | 2,000 | 1,288 | 3,288 |
| 2037 | 2,125 | 1,202 | 3,327 |
| 2038 | 2,250 | 1,114 | 3,364 |
| 2039 | 2,375 | 1,021 | 3,396 |
| 2040 | 2,625 | 925 | 3,550 |
| 2041 | 2,750 | 813 | 3,563 |
| 2042 | 3,000 | 699 | 3,699 |
| 2043 | 3,125 | 575 | 3,700 |
| 2044 | 3,500 | 447 | 3,947 |
| 2045 | 3,625 | 300 | 3,925 |
| 2046 | 3,626 | 150 | 3,776 |
| | \$ 47,626 | \$ 34,182 | \$ 81,808 |

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021**

**\$879,602
General Obligation Limited Tax Convertible to
Unlimited Tax Bonds Dated September 29, 2016
Series 2016B-2
Interest Rate from 3.8875 to 5.45%
Payable June 1 and December 1
Principal Payable December 1**

| Year Ending December 31, | Principal | Interest | Total |
|-------------------------------------|-------------------|-------------------|---------------------|
| 2021 | \$ 16,111 | \$ 39,911 | \$ 56,022 |
| 2022 | 17,577 | 39,150 | 56,727 |
| 2023 | 19,065 | 38,313 | 57,378 |
| 2024 | 19,549 | 37,501 | 57,050 |
| 2025 | 21,136 | 36,464 | 57,600 |
| 2026 | 19,770 | 35,448 | 55,218 |
| 2027 | 21,357 | 34,513 | 55,870 |
| 2028 | 22,926 | 33,588 | 56,514 |
| 2029 | 24,612 | 32,400 | 57,012 |
| 2030 | 25,308 | 31,218 | 56,526 |
| 2031 | 27,014 | 30,004 | 57,018 |
| 2032 | 29,688 | 28,782 | 58,470 |
| 2033 | 30,519 | 27,262 | 57,781 |
| 2034 | 32,327 | 25,784 | 58,111 |
| 2035 | 34,171 | 24,215 | 58,386 |
| 2036 | 37,002 | 22,612 | 59,614 |
| 2037 | 38,953 | 20,742 | 59,695 |
| 2038 | 40,922 | 18,832 | 59,754 |
| 2039 | 42,933 | 16,825 | 59,758 |
| 2040 | 45,952 | 14,756 | 60,708 |
| 2041 | 48,076 | 12,453 | 60,529 |
| 2042 | 51,212 | 10,082 | 61,294 |
| 2043 | 48,933 | 7,550 | 56,483 |
| 2044 | 45,341 | 5,157 | 50,498 |
| 2045 | 47,031 | 2,925 | 49,956 |
| 2046 | 12,878 | 626 | 13,504 |
| | \$ 820,363 | \$ 627,113 | \$ 1,447,476 |

I, Ann Finn, hereby certify that I am the duly appointed Secretary of the Denargo Market Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2021, duly adopted at a meeting of the Board of Directors of the Denargo Market Metropolitan District No. 2 held on November 17, 2020.

By: Ann Finn
Secretary

RESOLUTION NO. 2020 - 11 - 03
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Denargo Market Metropolitan District No. 2 (“District”) has adopted the 2021 annual budget in accordance with the Local Government Budget Law on November 17, 2020; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2021 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 Denargo Market Metropolitan District No. 2:

1. That for the purposes of meeting all general fund expenses of the District during the 2021 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 2021 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 City and County of Denver, 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 17th day of November, 2020.



Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Denver, Colorado.

On behalf of the Denargo Market Metropolitan District No. 2,
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Denargo Market Metropolitan District No. 2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 24,641,650 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F 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: \$ 24,641,650 (NET^G 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: 12/08/2020 for budget/fiscal year 2021.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

| PURPOSE (see end notes for definitions and examples) | LEVY ² | REVENUE ² |
|--|---------------------|----------------------|
| 1. General Operating Expenses ^H | 11.000 mills | \$ 271,058 |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | < > mills | \$ < > |
| SUBTOTAL FOR GENERAL OPERATING: | 11.000 mills | \$ 271,058 |
| 3. General Obligation Bonds and Interest ^J | 33.195 mills | \$ 817,980 |
| 4. Contractual Obligations ^K | mills | \$ |
| 5. Capital Expenditures ^L | mills | \$ |
| 6. Refunds/Abatements ^M | mills | \$ |
| 7. Other ^N (specify): _____ | mills | \$ |
| _____ | mills | \$ |
| TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7] | 44.195 mills | \$ 1,089,038 |

Contact person: Jason Carroll Daytime phone: (303) 779-5710
(print)

Signed:  Title: Accountant for the District

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.

¹ 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.
² 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^J:

- | | | |
|-------|-------------------|--|
| 1. | Purpose of Issue: | Public Improvements and Facilities |
| | Series: | Limited Tax (Convertible to Unlimited Tax) General Obligation Improvement Loan, Series 2016A |
| | Date of Issue: | September 29, 2016 |
| | Coupon Rate: | 3.4425% |
| | Maturity Date: | December 1, 2046 |
| | Levy: | 29.359 |
| | Revenue: | 723,454 |
| <hr/> | | |
| 2. | Purpose of Issue: | Public Improvements and Facilities |
| | Series: | Limited Tax (Convertible to Unlimited Tax) Taxable General Obligation Advancing Improvement Loan, Series 2016B-1 |
| | Date of Issue: | September 29, 2016 |
| | Coupon Rate: | 3.88% - 4.0875% |
| | Maturity Date: | December 1, 2046 |
| | Levy: | 1.431 |
| | Revenue: | 35,263 |
| <hr/> | | |
| 3. | Purpose of Issue: | Public Improvements and Facilities |
| | Series: | Limited Tax (Convertible to Unlimited Tax) Taxable General Obligation Advancing Improvement Loan, Series 2016B-2 |
| | Date of Issue: | September 29, 2016 |
| | Coupon Rate: | 5.17% - 5.45% |
| | Maturity Date: | December 1, 2046 |
| | Levy: | 2.405 |
| | Revenue: | 59,263 |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 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.

RESOLUTION NO. 2020-11-04

RESOLUTION OF THE BOARD OF DIRECTORS OF DENARGO MARKET METROPOLITAN DISTRICT NO. 2 AUTHORIZING ADJUSTMENT OF THE DISTRICT MILL LEVY IN ACCORDANCE WITH THE COLORADO CONSTITUTION, ARTICLE X, SECTION 3

A. Denargo Market Metropolitan District No. 2 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.

B. The District operates pursuant to its Service Plan approved by the City Council of the City and County of Denver, Colorado, on March 8, 2010 (the “**Service Plan**”), which provides the District with the authority to impose mill levies on taxable property. Such mill levies will be the primary source of revenue for repayment of debt service, public improvements, and operations and maintenance costs of the District.

C. In addition to the debt service mill levy, the Service Plan authorizes a maximum mill levy of ten (10) mills for Operations and Maintenance (“**Limited Operating Levy**”).

D. The Service Plan and Article X, Section 3 of the Colorado Constitution, (the “**Gallagher Amendment**”) authorize adjustment of the Limited Operating Levy to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation as of March 8, 2010, so that to the extent possible, the actual revenues generated by the Limited Operating Levy are neither diminished nor enhanced as a result of such changes. Among other adjustments, a change in the ratio of actual valuation of assessable property shall be deemed a change in the method of calculating assessed valuation. On or before December 1 of the year before any fiscal year in which an adjustment is made to the Limited Operating Levy, the District shall provide the calculation of any such adjustment to the Limited Operating Levy to the Manager of Finance for the City and County of Denver.

E. The Service Plan and Gallagher Amendment provide that, for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

F. The Colorado General Assembly (the “**General Assembly**”) passed House Bill 17-1349, signed by the Governor of Colorado on June 15, 2017, which amended Section 39-1-104.2, C.R.S. by setting the ratio of valuation for assessment for real residential property at 7.2% (decreased from 7.96%) for property tax years commencing on and after January 1, 2017, until the next property tax year that the General Assembly determined to adjust the ratio of valuation for assessment for residential real property.

G. In 2019, the General Assembly passed Senate Bill 19-255, signed by the Governor of Colorado on June 3, 2019, further amending Section 39-1-104.2, C.R.S. by setting the ratio of valuation for assessment for real residential property at 7.15% (decreased from 7.2%) for property tax years commencing on or after January 1, 2019, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property.

H. The Board of Directors of the District (the “**Board**”), authorized by the Service Plan and the Gallagher Amendment, determined it to be in the best interest of the District, its residents, users, property owners, and the public to adopt Resolution 2019-11-02, which adjusted the Limited Operating Levy to mitigate the effect of the 2019 statutory change in the ratio of valuation for assessment from 7.20% to 7.15%, so that actual tax revenues were neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment for residential real property.

I. In order to mitigate the effect of the 2019 statutory change in the ratio of valuation for assessment for residential real property from 7.20% to 7.15%, so that actual tax revenues are neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment, the Board determines it to be in the best interest of the District, its residents, users, property owners, and the public to further adjust the Limited Operating Levy.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Denargo Market Metropolitan District No. 2, City and County of Denver, Colorado:

1. The Board hereby authorizes the adjustment of the Limited Operating Levy to reflect the 2019 statutory change in the ratio of valuation for assessment for residential real property to 7.15%.

2. The Gallagher Amendment allows for a mill levy imposition of 11 mills for the Limited Operating Levy (the “**Adjusted Operating Mill Levy**”) so that District revenues shall be neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment to 7.15% pursuant to the authority granted by the Service Plan and the Gallagher Amendment.

3. The Adjusted Operating Mill Levy shall be reflected in the District’s Certification of Tax Levies to be submitted to the Denver County Assessor and the Manager of Finance for the City and County of Denver on or before December 15, 2020, for collection in 2021.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION AUTHORIZING ADJUSTMENT OF THE
DISTRICT MILL LEVY IN ACCORDANCE WITH THE COLORADO
CONSTITUTION, ARTICLE X, SECTION 3]

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 17, 2020.

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 2**



President

Attest:



Secretary

| | |
|--------------------------------|--|
| TITLE | Denargo Market MD No. 2, 2020 Adopted Resolutions and... |
| FILE NAME | 2020 First ...olution.pdf and 3 others |
| DOCUMENT ID | 2bf3b34435b576c7b60b551dddf5a8886843c6f9 |
| AUDIT TRAIL DATE FORMAT | MM / DD / YYYY |
| STATUS | ● Completed |

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