

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2 HELD NOVEMBER 19, 2019

A Regular Meeting of the Board of Directors (referred to hereafter as the "Board") of the Denargo Market Metropolitan District No. 2 (referred to hereafter as the "District") was held on Tuesday, the 19th day of November, 2019, at 4:30 p.m., at The Waterford at RiNo, 2797 Wewatta Way, Denver, Colorado 80216. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

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

Following discussion, upon motion duly made by Director Smith, seconded by Director Jones and, upon vote, unanimously carried, the absence of Director Cabrera was excused.

Also In Attendance Were:

Ann E. Finn and Brian Bowers; 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. Ms. Finn 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 Regular Meeting.

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

Minutes: The Board reviewed the Minutes of the July 22, 2019 Special Meeting.

Following discussion, upon motion duly made by Director Smith, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the Minutes of the July 22, 2019 Special Meeting.

Resolution Establishing Regular Meeting Dates, Times and Location, Establishing District Website and Designating Location for Posting 24-Hour Notices: The Board discussed Resolution No. 2019-11-01; Establishing Regular Meeting Dates, Times and Location, Establishing a District Website and Designating Locations for Posting of 24-Hour Notices.

Ms. Finn reviewed the business to be conducted in 2020 to meet the statutory compliance requirements. The Board determined to meet on June 16, 2020 and November 17, 2020 at 4:30 p.m., at The Waterford RiNo, 2797 Wewatta Way, Denver, Colorado 80216.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-01; Establishing Regular Meeting Dates, Times and Location, Establishing a District Website and Designating Locations for Posting of 24-Hour Notices. A copy of the Resolution is attached hereto and incorporated herein by this reference.

CONSENT AGENDA

The Board considered the following actions:

- Discuss §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification (Transparency Notice was posted on the SDA's website in 2019).
- Ratify appointment of District Accountant to prepare the 2020 Budget.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote, unanimously carried, the Board approved and/or ratified approval of the Consent Agenda items.

PUBLIC COMMENT

There were no public comments.

FINANCIAL MATTERS

Unaudited Financial Statements: Mr. Carroll reviewed with the Board the unaudited financial statements through the period ending September 30, 2019 and Schedule of Cash Position, updated as of October 23, 2019.

Following review, upon motion duly made by Director Smith, seconded by Director Newman and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through the period ending September 30, 2019 and Schedule of Cash Position, updated as of October 23, 2019.

2019 Audit: The Board reviewed the proposal from Dazzio & Associates, LLC to perform the 2019 Audit.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the engagement of Dazzio & Associates, LLC to perform the 2019 Audit, for an amount not to exceed \$4,500.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3: The Board reviewed Resolution No. 2019-11-02, 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 Newman and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-02, 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.

2019 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2019 Budget and discuss related issues.

RECORD OF PROCEEDINGS

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 or at this public hearing. No public comments were received and the President closed the public hearing.

Following review and discussion, Director Smith moved to adopt the Resolution to Amend 2019 Budget, Director Newman seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-03 to Amend the 2019 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

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 or at this public hearing. No public comments were received and the President closed the public hearing.

Mr. Carroll reviewed the estimated year-end 2019 revenues and expenditures and the proposed 2020 estimated revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2019-11-04 to Adopt the 2020 Budget and Appropriate Sums of Money and Resolution No. 2019-11-05 to Set Mill Levies (for the General Fund at 11.000 mills and the Debt Service Fund at 30.209 mills, for a total of 41.209 mills). Upon motion duly made by Director Smith, seconded by Director Newman and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2019. Ms. Finn was authorized to transmit the Certification of Mill Levies to the City and County of Denver Assessor not later than December 15, 2019. Ms. Finn 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 hereto 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 Newman 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 2021 Budget: The Board discussed preparation of the 2021 Budget.

Following discussion, upon motion duly made by Director Smith, seconded by Director Newman, and upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2021 Budget.

LEGAL MATTERS

Election Resolution: The Board discussed Resolution No. 2019-11-06; Resolution Calling a Regular Election for Directors on May 5, 2020, appointing the Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-06; Resolution Calling a Regular Election for Directors on May 5, 2020, appointing the DEO and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

McGeady Becher P.C. Document Retention Policy: Attorney Williams presented to the Board an update to the McGeady Becher P.C. Document Retention Policy.

Following discussion, the Board acknowledged the update and directed a copy of the approved McGeady Becher P.C. Document Retention Policy be attached to the Minutes. Accordingly, a copy of the updated McGeady Becher P.C. Document Retention Policy is attached hereto and incorporated herein by reference.

OTHER MATTERS


Annual Meeting for Property Owners: Ms. Finn reported that the 2019 Annual Property Owners Meeting Notice was provided to all property owners on October 10, 2019. It was noted that no property owners were in attendance.

RECORD OF PROCEEDINGS

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

RESOLUTION NO. 2019 - 11 - 01

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION,
[ESTABLISHING DISTRICT WEBSITE] 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 at 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**"), Denver County, 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 2020 shall be held quarterly on the third Tuesday of the month at 4:30 p.m., at the The Waterford RiNo (Conference Room), 2792 Wewatta Way, Denver, Colorado 80216.

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 Board authorizes establishment of a District Website, if such District Website does not already exist, in order to provide full and timely notice of regular and special meetings of the District Board online pursuant to the provisions of Section 24-6-402(2)(c)(III), C.R.S.

8. That, if the District has established a District Website, 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.

9. That, if the District has not yet established a District Website or 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 28th Street and Delgany


10. Ann E. Finn, or 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, [ESTABLISHING DISTRICT WEBSITE] AND DESIGNATING LOCATION FOR 24-HOUR NOTICES]

RESOLUTION APPROVED AND ADOPTED on November 19, 2019

DENARGO MARKET METROPOLITAN DISTRICT NO. 2

By: 

President

Attest:



Secretary

RESOLUTION NO. 2019-11-02

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. The Service Plan authorizes a maximum mill levy of 10.000 mills for Operations and Maintenance (“**Limited Operating Levy**”) and 40.000 mills for Debt Service (“**Debt Mill Cap**”, “**Debt Mill Cap**” and “**Limited Operating Levy**” together, the “**Limited Mill Levies**”). Notwithstanding the separate Debt Mill Cap and the Limited Operating Levy, the District shall not be authorized to impose its Limited Mill Levies in excess of fifty (50) mills, as may be adjusted pursuant to subpart VIII.F.11 of the District’s Service Plan.

D. The Service Plan and Article X, Section 3 of the Colorado Constitution, (the “**Gallagher Amendment**”) authorize adjustment of the Maximum Mill Levy in the event that the method of calculating assessed valuation is changed after March 8, 2010, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The Limited Mill Levies may be increased or decreased to reflect such changes. Such increases or decreases shall be determined by the Board in good faith (such determination to be binding and final) so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

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. 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 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 of the District hereby authorizes the adjustment of the Limited Mill Levies 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 total mill levy imposition of 10.069 mills for Operations and Maintenance; and 30.209 mills for Debt Service Mill Levy (the “**Adjusted 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.

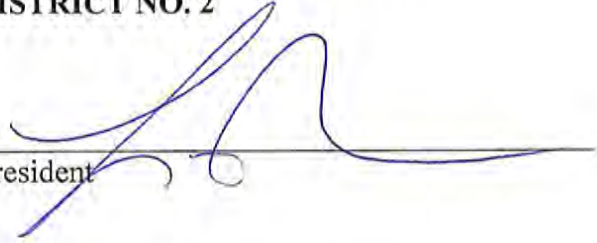
3. The Adjusted Mill Levy shall be reflected in the District’s Certification of Tax Levies to be submitted to the Denver County Assessor on or before December 15, 2019, for collection in 2020.

[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 19, 2019.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2



President

Attest:



Secretary

RESOLUTION TO AMEND 2019 BUDGET
DENARGO MARKET METROPOLITAN DISTRICT NO. 2

WHEREAS, the Board of Directors of the Denargo Market Metropolitan District No. 2 adopted a budget and appropriated funds for the fiscal year 2019 as follows:

General Fund	\$	205,102
Debt Service Fund	\$	550,173

WHEREAS, the necessity has arisen for additional expenditures in the General Fund and Debt Service Fund requiring the unanticipated expenditure of funds in excess of those appropriated 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 General Fund from specific ownership taxes; and

WHEREAS, funds are available for such expenditures in the Debt Service Fund from proceeds from loan.


NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Denargo Market Metropolitan District No. 2 shall and hereby does amend the adopted Budget for the fiscal year 2019 and adopts a supplemental budget and appropriation for the General Fund and Debt Service Fund, for the fiscal year 2019, as follows:

General Fund	\$	210,000
Debt Service Fund	\$	1,100,000

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 19th day of November, 2019.

DENARGO MARKET METROPOLITAN
DISTRICT NO. 2

By: 
Secretary

RESOLUTION NO. 2019 - 11 - 04

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2
TO ADOPT THE 2020 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 2020 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, 2019, 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 19, 2019, 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 inter-fund 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 2020 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 19th day of November, 2019.



A handwritten signature in blue ink, appearing to be "A. J. ...", is written above a horizontal line.

Secretary

EXHIBIT A
(Budget)



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

Accountant's Compilation Report

Board of Directors
Denargo Market Metro District No. 2

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Denargo Market Metro District No. 2 for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Denargo Market Metro District No. 2.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 7, 2020



An independent member of Nexia International

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/7/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 20,220	\$ 6,031	\$ 80,981
REVENUES			
Property taxes	612,244	773,967	1,052,762
Specific ownership tax	35,349	58,070	63,166
Interest income	2,281	3,500	5,300
Proceeds from Loan	-	489,456	-
Total revenues	<u>649,874</u>	<u>1,324,993</u>	<u>1,121,228</u>
Total funds available	<u>670,094</u>	<u>1,331,024</u>	<u>1,202,209</u>
EXPENDITURES			
General Fund	162,760	207,148	297,877
Debt Service Fund	501,303	1,042,895	629,686
Total expenditures	<u>664,063</u>	<u>1,250,043</u>	<u>927,563</u>
Total expenditures and transfers out requiring appropriation	<u>664,063</u>	<u>1,250,043</u>	<u>927,563</u>
ENDING FUND BALANCES	<u>\$ 6,031</u>	<u>\$ 80,981</u>	<u>\$ 274,646</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/7/20

ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
----------------	-------------------	----------------

ASSESSED VALUATION

Residential	\$ 15,393,180	\$ 18,878,110	\$ 25,097,960
State assessed	-	355,500	350,300
Personal property		115,550	98,640
Certified Assessed Value	\$ 15,393,180	\$ 19,349,160	\$ 25,546,900

MILL LEVY

General	7.816	10.000	11.000
Debt Service	32.184	30.000	30.209
Total mill levy	40.000	40.000	41.209

PROPERTY TAXES

General	\$ 120,313	\$ 193,492	\$ 281,016
Debt Service	495,414	580,475	771,746
Budgeted property taxes	\$ 615,727	\$ 773,967	\$ 1,052,762

BUDGETED PROPERTY TAXES

General	\$ 120,313	\$ 193,492	\$ 281,016
Debt Service	495,414	580,475	771,746
	\$ 615,727	\$ 773,967	\$ 1,052,762

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/7/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ (862)	\$ -
REVENUES			
Property taxes	153,061	193,492	281,016
Specific ownership tax	8,837	14,518	16,861
Total revenues	<u>161,898</u>	<u>208,010</u>	<u>297,877</u>
Total funds available	<u>161,898</u>	<u>207,148</u>	<u>297,877</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,531	2,902	2,810
Transfers to District No. 1	161,229	204,246	295,067
Total expenditures	<u>162,760</u>	<u>207,148</u>	<u>297,877</u>
Total expenditures and transfers out requiring appropriation	<u>162,760</u>	<u>207,148</u>	<u>297,877</u>
ENDING FUND BALANCE	<u>\$ (862)</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/7/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 20,220	\$ 6,893	\$ 80,981
REVENUES			
Property taxes	459,183	580,475	771,746
Specific ownership tax	26,512	43,552	46,305
Interest income	2,281	3,500	5,300
Proceeds from loan	-	489,456	-
Total revenues	487,976	1,116,983	823,351
Total funds available	508,196	1,123,876	904,332
EXPENDITURES			
General and administrative			
County Treasurer's fee	4,592	5,805	7,717
Paying Agent Fees	1,500	1,500	2,000
Bond Issuance Cost	1,500	-	-
Non use fees	18,396	16,000	16,000
Bond Interest - 2016A	349,031	345,541	340,363
Bond Interest - 2016B	21,883	11,665	44,578
Repay developer advance	-	486,509	-
Debt Service			
Bond principal 2016A	100,000	175,000	200,000
Bond principal 2016B	4,401	875	19,028
Total expenditures	501,303	1,042,895	629,686
Total expenditures and transfers out requiring appropriation	501,303	1,042,895	629,686
ENDING FUND BALANCE	\$ 6,893	\$ 80,981	\$ 274,646

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2020 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 6% 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
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

Debt Service

Principal and interest payments in 2020 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
2020 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
2020 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 201GB, 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
2020 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 2016B-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.

During June 2019 the District drew an additional \$308,983 against its existing Series 2016B loan. The new proceeds from the loan were used to pay off in its entirety the outstanding principal and interest that was due under the Series 2016 B-1 and Series 2016 B-2 Loans.

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.

RESOLUTION NO. 2019 - 11 - 05

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 2020 annual budget in accordance with the Local Government Budget Law on November 19, 2019; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2020 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.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Denargo Market Metropolitan District No. 2:

1. That for the purposes of meeting all general fund expenses of the District during the 2020 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 2020 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 City Council of the 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 19th day of November, 2019.



Secretary

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

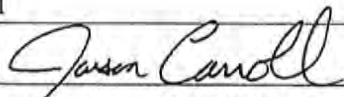
of the Denargo Market Metropolitan District No. 2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 25,546,900 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: \$ 25,546,900 (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: 12/10/2019 for budget/fiscal year 2020
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	11.000 mills	\$ 281,016
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	11.000 mills	\$ 281,016
3. General Obligation Bonds and Interest ^J	30.209 mills	\$ 771,746
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
_____	mills	\$
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	41.209 mills	\$ 1,052,762

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: | Improvement Loan 2016A |
| | Date of Issue: | September 29, 2016 |
| | Coupon Rate: | 3.4425% |
| | Maturity Date: | December 1, 2046 |
| | Levy: | 27.028 |
| | Revenue: | 690,482 |
| <hr/> | | |
| 2. | Purpose of Issue: | Public Improvements and Facilities |
| | Series: | Improvement Loan 2016B-1 |
| | Date of Issue: | September 29, 2016 |
| | Coupon Rate: | 3.88% - 4.0875% |
| | Maturity Date: | December 1, 2046 |
| | Levy: | 1.136 |
| | Revenue: | 29,021 |
| <hr/> | | |
| 3. | Purpose of Issue: | Public Improvements and Facilities |
| | Series: | Improvement Loan 2016B-2 |
| | Date of Issue: | September 29, 2016 |
| | Coupon Rate: | 5.17% - 5.45% |
| | Maturity Date: | December 1, 2046 |
| | Levy: | 2.045 |
| | Revenue: | 52,243 |

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. 2019-11- *De*

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
DENARGO MARKET METROPOLITAN DISTRICT NO. 2
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 5, 2020**

A. The term of the office of Director Cabrera shall expire upon the election of his successor at the regular election, to be held on May 5, 2020 (“**Election**”), and upon such successor taking office.

B. The terms of the offices to which Directors Jones, Smith and Newman have previously been appointed expire upon their re-election, or the election of their successors at the Election, and upon such successors taking office.

C. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect two (2) Directors to serve until the next regular election, to occur May 3, 2022, and two (2) Directors to serve until the second regular election, to occur May 2, 2023.

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

1. Date and Time of Election. The Election shall be held on May 5, 2020, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, two (2) Directors shall be elected to serve until the next regular election, to occur May 3, 2022, and two (2) Directors shall be elected to serve until the second regular election, to occur May 2, 2023.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. Ann E. Finn shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed

with the Designated Election Official of the District, c/o Special District Management Services, Inc., 141 Union Blvd., Suite 150, Lakewood, CO 80228, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 28, 2020).

6. Self-Nomination and Acceptance Forms. Self-nomination and acceptance forms are available at the office of the Designated Election Official located at the above address. All candidates must file a self-nomination and acceptance form with the Designated Election Official no later than 3:00 P.M. on February 28, 2020.

7. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on March 3, 2020, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

8. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

9. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

10. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of Denargo Market Metropolitan District No. 2.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 5, 2020]

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 19, 2019.

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 2**

By: _____

President

Attest:

Secretary

McGeady Becher P.C.
Document Retention Policy

Types of Documents

In representing you we will or may take possession of, create, and/or keep various types of documents. These consist of documents you provide to us, documents which constitute the District's official public record, and internal documents we create to assist us in providing services to you.

Documents You Provide to Us

It is our policy to copy and return original documents you provide to us as soon as practicable. Exceptions to this policy are original documents which should be kept as part of the District's official public record, instances where we must have an original document to represent you, or cases where we have affirmatively agreed retain a document for safekeeping.

The District's Record

As a part our engagement, we will maintain the District's official public Record (the "**Record**"). The Record is a highly useful and detailed compilation of documents reflecting the official actions of the District and serves multiple functions. First, it collects those documents which the public is entitled to inspect and copy under various state and federal public records and freedom of information statutes. Second, it organizes the records of the District – such as its contracts, land and title records, and easements - in a manner which is useful in conducting the ongoing business of the District. Third, the Record helps expedite the District's annual audit process. Fourth, in the event you should change legal counsel or employ in-house counsel, the Record will enable that counsel to understand the status and assume representation of the District with maximum efficiency.

The Record includes the District's organizational documents, fully-executed agreements which are still in effect, rules, regulations, resolutions adopted by the District, official minutes books, meeting notices, agendas, insurance policies, District maps, election records, bond documents, audit documents, and many more. A comprehensive list of documents comprising the Record is available from us at any time upon request.

Creating and maintaining the Record is an important and complex task, and you agree to pay our actual costs and hourly fees associated with doing this.

Supplemental Documents

All other documents created in course of representing you are referred to as Supplemental Documents. These include our notes, drafts, memoranda, worksheets, electronic communications, and other electronic documents stored in various media or file servers.

Documents We Retain

Except as provided in this Document Retention Policy or an amendment thereto, we will keep the Record and any original documents accepted by us for safekeeping so long as we represent you.

Delivery of the Record

Once a matter is concluded or our representation terminated, we deliver the original, printed Record, together with any original documents we have accepted for safekeeping, to you or the District's designee, provided our fees and costs have been paid in full. If you do not designate someone to receive these records, we will deliver them to a then-current officer or director of the District. If we are unable to deliver these documents because of your failure to designate a recipient, we may retain, destroy, or otherwise dispose of them in manner which assures their continued confidentiality within thirty (30) days following the conclusion of a matter or the termination of our representation.

We will also confidentially destroy the Record of any District in our possession if a final order of dissolution of the District is entered.

All other documents, including all Supplemental Documents, are routinely, periodically, confidentially, and permanently purged by us once they are no longer useful to us in providing services to you.