

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 1 HELD NOVEMBER 20, 2018

A Regular 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 20th day of November, 2018, at 4:30 p.m., at The Marq at RiNo, 2797 Wewatta Way, Denver, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Kate E. Abrams
Donald D. Cabrera
Todd T. Wenskoski
Daniel V. Metzger

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

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

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

Chase Hill; Cypress Real Estate Advisors

Bill Valaika; DAE Group LLC

Jason Carroll; 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

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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.

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 Abrams, seconded by Director Cabrera and, upon vote, unanimously carried, the Agenda was approved, as presented.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, and upon motion duly made by Director Abrams, seconded by Director Cabrera and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxing electors within its boundaries. The Board further noted that the location of the regular meeting is within a 20-mile radius of the boundaries of the District.

Minutes: The Board reviewed the Minutes of the September 18, 2018 Regular Meeting.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Metzger and, upon vote, unanimously carried, the Board approved the Minutes of the September 18, 2018 Regular Meeting.

Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices: The Board discussed Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices.

Ms. Finn reviewed the business to be conducted in 2019 to meet the statutory compliance requirements. The Board determined to meet on the third Tuesday in March, June, September and November (March 19, 2019, June 18, 2019, September 17, 2019, and November 19, 2019) at 4:30 p.m. at The Marq at RiNo (Conference Room), 2797 Wewatta Way, Denver, Colorado.

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Following discussion, upon motion duly made by Director Cabrera, seconded by Director Abrams and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices. A copy of the Resolution is attached hereto and incorporated herein by this reference.

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2018: 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 Abrams, seconded by Director Cabrera and, upon vote, unanimously carried, the Board determined to post the required transparency notice information on the Special District Association's website.

PUBLIC COMMENT

Messrs. Hill and Valaika addressed the Board concerning the construction of a new apartment building and the timing of construction. The Board informed Messrs. Hill and Valaika that they are required to obtain a Construction Activity Permit, comply with the District's Rules and Regulations and pay the fees determined by the Board with regards to the project.

Mr. Hill and Mr. Valaika further addressed the Board regarding their prior request to have the District consent to their drainage system within the District's right of way and agree to take a conveyance from the City of Denver ("City") of a portion of the drainage system previously accepted by the City. Mr. Hill and Mr. Valaika addressed the Board's prior questions as follows: 1) with respect to annual maintenance costs, there is not intended to be on-going recurring maintenance (the system is estimated to have a 40-90 year estimated life); and 2) with respect to asking the City what it will do if the District does not agree to take the ownership of the system, Mr. Hill stated that the City is taking a hardline that the City will not approve their project unless the District agrees to take the storm drainage system. Mr. Hill indicated the Developer's intent to pull a permit by mid-January, accordingly, he asked for the District's help. Mr. Hill advised that the Developer will be required to execute a permanent non-exclusive easement that grants the City the right to maintain the vault and drainage system in the event the District fails to do so. Finally, Mr. Hill indicated that the Developer would be willing to place a covenant of record binding future owners to indemnify the District if such owner did not maintain the private portions (the vault) of the drainage system. The Board asked Mr. Hill and Mr. Valaika to organize a meeting with the City for the District to attend and have further discussion on this matter.

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FINANCIAL MATTERS

Claims: The Board then considered approving the payment of claims for the period ending November 8, 2018 as follows:

General Fund	\$ 186,710.81
Debt Service Fund	-0-
Capital Projects Fund	-0-
Total Claims:	<u>\$ 186,710.81</u>

Following discussion, upon motion duly made by Director Metzger, seconded by Director Cabrera and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending November 8, 2018.

First Addendum to Management Agreement by and between the District and Special District Management Services, Inc. ("SDMS"): The Board considered approval of the First Addendum to Management Agreement by and between the District and SDMS.

Following discussion, upon motion duly made by Director Metzger, seconded by Director Cabrera and, upon vote, unanimously carried, the Board approved the First Addendum to Management Agreement by and between the District and SDMS.

Unaudited Financial Statements: Mr. Carroll reviewed with the Board the unaudited financial statements through the period ending September 30, 2018 and schedule of cash position as of September 30, 2018.

Following review, upon motion duly made by Director Metzger, seconded by Director Cabrera and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending September 30, 2018 and the schedule of cash position as of September 30, 2018, as presented.

Positive Pay and Bill.com Payment Process: Mr. Carroll discussed with the Board using Positive Pay and bill.com for processing accounts payable.

Following discussion, upon motion duly made by Director Metzger, seconded by Director Cabrera and, upon vote, unanimously carried, the Board approved using Positive Pay and bill.com for processing accounts payable.

2018 Audit: The Board considered engagement of Dazzio & Associates, LLC to perform the 2018 Audit, for an amount not to exceed \$4,500.

Following discussion, upon motion duly made by Director Metzger, seconded by Director Cabrera and, upon vote, unanimously carried, the Board approved the

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engagement of Dazzio & Associates, LLC to perform the 2018 Audit, for an amount not to exceed \$4,500.

2018 Budget Amendment: The President opened the public hearing to consider an amendment to the 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider an amendment to the 2018 Budget and the date, time, and place of the public hearing was made in a newspaper having general circulation within the District. It was also noted that no written objections or public comments were received prior to the public hearing. The public hearing was closed.

It was determined that no budget amendment was necessary for 2018.

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

It was noted that publication of Notice stating that the Board would consider adoption of 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 or public comments were received prior to this public hearing. The public hearing was closed.

Mr. Carroll reviewed the estimated 2018 expenditures and proposed 2019 expenditures.

Following discussion, the Board considered the adoption of the Resolution No. 2018-11-02 to Adopt the 2019 Budget and Appropriate Sums of Money and to Set Mill Levies (for General Fund 0.000 mills, Debt Service Fund 0.000 mills, and Other Fund(s) 0.000 mills for a total mill levy of 0.000 mills). Upon motion duly made by Director Cabrera, seconded by Director Abrams and, upon vote, unanimously carried, the Resolution was adopted, as discussed. Ms. Finn was authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2019. 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 Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Abrams and, upon vote, unanimously carried, the Board authorized the

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District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

LEGAL MATTERS

License Agreement with Apartment Building Owners: The Board determined to defer this matter.

CAPITAL MATTERS

Release of the Surety Bond and Damage Deposit to Mill Creek Residential Trust: The Board entered into discussion regarding the status of the release of the Surety Bond and damage deposit to Mill Creek Residential Trust for the River North Apartment project. Ms. Finn noted that repair work has been completed.

Following discussion, upon motion duly made by Director Metzger, seconded by Director Abrams and, upon vote, unanimously carried, the Board approved the release of the Surety Bond and damage deposit to Mill Creek Residential Trust.

Amendment to the District's Rules and Regulations Increasing the Construction Activity Fee: Attorney Williams discussed with the Board the Amendment to the District's Rules and Regulations Concerning Construction Activity Fees.

Following discussion, upon motion duly made by Director Metzger, seconded by Director Cabrera and, upon vote, unanimously carried, the Board approved the Amendment to the District's Rules and Regulations Concerning Construction Activity Fees, subject to final legal revision.

Construction Activity Permit for Cypress-Advisors: The Board entered into discussion regarding the Construction Activity Permit for Cypress Real Estate Advisors.

Following discussion, upon motion duly made by Director Metzger, seconded by Director Cabrera and, upon vote, unanimously carried, the Board approved the Construction Activity Permit for Cypress Real Estate Advisors, subject to a receipt of the Permit Fee in the amount of \$30,000.00, all other Right of Way Permit Fees that would apply during construction, a damage deposit in the amount of \$81,172.97 and receipt of a Traffic Control Plan.

OPERATIONS AND MAINTENANCE

Request for Converting the Grassy Area into a Dog Park/Fence Installation: Ms. Finn advised the Board regarding a request she had received from some residents of the District requesting conversion of the grassy area into a dog park including the installation of fencing around the area. She noted that this would cost

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between \$15,000.00 and \$25,000.00. It was also noted that there are currently no funds available for this purpose.

Following discussion, the Board determined it could not move forward with the request.

City and County of Denver Approval: The Board determined that this was not applicable.

Installation of a Fence and Maintenance of a Dog Park: The Board determined that this was not necessary.

Adopt-a-Dog Park Program: The Board determined that this was not necessary.

Service Agreement between Denver Metro Protective Services and the District for Security Services: The Board reviewed a proposal from Denver Metro Protective Services for 2019 security services for \$7,500 (\$20 per patrol, 7 days per week minus holidays).

Following discussion, upon motion duly made by Director Metzger, seconded by Director Cabrera and, upon vote, unanimously carried, the Board approved the Service Agreement between Denver Metro Protective Services and the District for 2019 security services.

2019 Operation and Maintenance Services: Ms. Finn reviewed with the Board the following documents for operation and maintenance services:

- Change Order No. 1 to Service Agreement with Arrowhead Landscape Services, Inc., increasing the fee for Landscape Maintenance Services from \$17,772 to \$21,864 for 2019 (\$4,092 for additional trash removal services).
- Service Agreement by and between the District and JPL Cares for 2019 Snow Removal Services.
- Service Agreement by and between the District and Colorado Lighting, Inc. for 2019 Site Lighting Services.
- Service Agreement by and between the District and Wyatt's Towing for 2018/2019 Towing Services.
- Change Order No. 2 to Service Agreement with Triunity Engineering & Management, Inc. for 2019 Site Inspections and Construction Management Services.

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Following discussion, upon motion duly made by Director Metzger, seconded by Director Cabrera and, upon vote, unanimously carried, the Board approved the documents noted above for 2019 operation and maintenance services.

OTHER MATTERS

There were no other matters to discuss.

ADJOURNMENT

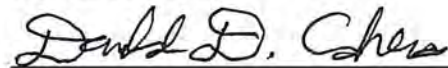
There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: 
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 20, 2018 MINUTES OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:

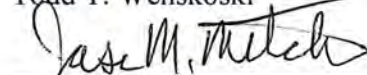
Kate E. Abrams



Donald D. Cabrera



Todd T. Wenskoski



Jason M. Mitchell



Daniel V. Metzger

RESOLUTION NO. 2018-11-01

RESOLUTION OF THE BOARD OF DIRECTORS OF
DENARGO MARKET METROPOLITAN DISTRICT NO. 1
ESTABLISHING REGULAR MEETING DATES, TIME AND LOCATION, AND
DESIGNATING LOCATIONS FOR POSTING OF 72-HOUR AND 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), 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 place at which notice will be posted at least 24 hours prior to each meeting.
- C. Pursuant to Section 32-1-903, C.R.S., special districts are required to post notices of regular and special meetings at three (3) public places within the district and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting.
- D. 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.
- E. 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. 1 of the 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 the twenty (20) mile radius requirement.
3. That regular meetings of the District Board of the Denargo Market Metropolitan District No. 1 for the year 2019 shall be held on the third Tuesday in March, June, September and November at 4:30 p.m., at the offices of The Marq at RiNo (Conference Room) 2797 Wewatta Way, Denver, Colorado in 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. Notice of Meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

(a) See attached map.

8. Notices of regular and special meetings required to be posted at three (3) public places within the District and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting shall be made pursuant to Section 32-1-903, C.R.S., at the following locations:

(a) See attached map.

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

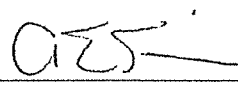
RESOLUTION APPROVED AND ADOPTED on November 20, 2018.

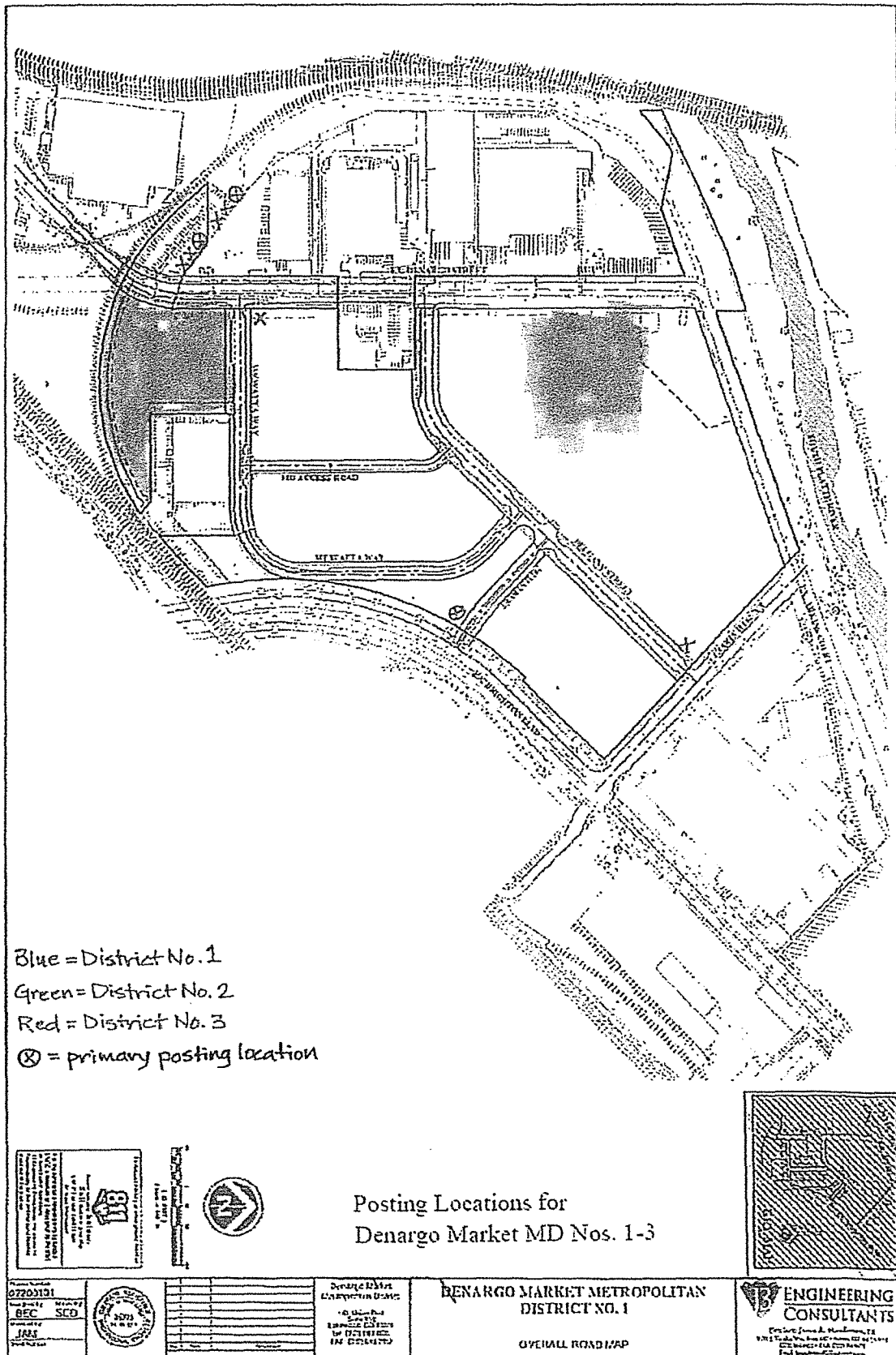
DENARGO MARKET METROPOLITAN
DISTRICT NO. 1

By:


President

Attest:


Secretary



RESOLUTION NO. 2018 - 11 - 02

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 1
TO ADOPT THE 2019 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Denargo Market Metropolitan District No. 1 ("District") has appointed the District Accountant to prepare and submit a proposed 2019 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, 2018, 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 20, 2018, 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.

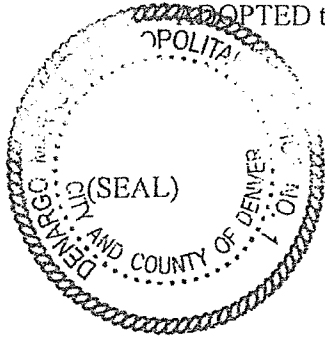
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Denargo Market Metropolitan District No. 1:

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. 1 for the 2019 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 20th day of November, 2018.



A handwritten signature in dark ink, consisting of a series of loops and a long horizontal stroke at the end.

Secretary

EXHIBIT A
(Budget)



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAAconnect.com

Accountant's Compilation Report

Board of Directors
Denargo Market Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Denargo Market Metropolitan District No. 1 for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, 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 Metropolitan District No. 1.

Greenwood Village, Colorado
January 7, 2019



An independent member of Nexia International

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/7/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 99,840	\$ 6,754	\$ 8,893
REVENUES			
Interest income	1,837	2,028	2,000
Developer advance	-	21,000	43,000
Other revenue	-	19,000	-
Transfer from District No. 2	454,200	161,629	202,200
Total revenues	456,037	203,657	247,200
Total funds available	555,877	210,411	256,093
EXPENDITURES			
General and administrative			
Accounting	16,700	18,000	20,000
Auditing	9,183	8,606	8,650
Contingency	-	-	938
Directors' fees	1,700	800	1,000
District management	39,247	31,000	35,000
Election expense	-	2,007	-
Insurance and bonds	9,786	10,033	11,500
Legal services	17,778	26,000	30,000
Miscellaneous	2,797	1,969	3,500
Payroll taxes	140	61	77
Security Services	-	-	7,500
Operations and maintenance			
Repairs and maintenance	2,980	5,000	20,000
Landscape & irrigation repairs	19,982	35,000	40,000
Snow removal	13,001	20,000	20,600
Utilities	20,844	19,000	20,000
Street sweeping	-	-	2,000
City of Denver Annual Fee	9,000	9,000	9,000
Site inspection	2,081	12,000	12,000
Site lighting	1,862	2,579	5,000
Locates	410	463	3,200
Debt service			
Repay Dev Adv O&M Interest	144,067	-	-
Repay Dev Adv O&M Principal	237,565	-	-
Total expenditures	549,123	201,518	249,965
Total expenditures and transfers out requiring appropriation	549,123	201,518	249,965
ENDING FUND BALANCE	\$ 6,754	\$ 8,893	\$ 6,128
EMERGENCY RESERVE	\$ -	\$ 5,500	\$ 6,100
TOTAL RESERVE	\$ -	\$ 5,500	\$ 6,100

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. 1
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/7/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION			
Vacant land	\$ 30	\$ 30	\$ 30
Certified Assessed Value	\$ 30	\$ 30	\$ 30
MILL LEVY			
Total mill levy	0.000	0.000	0.000
PROPERTY TAXES			
Budgeted property taxes	\$ -	\$ -	\$ -
BUDGETED PROPERTY TAXES			
	\$ -	\$ -	\$ -

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. 1
2019 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%.

Developer Advance

The District is in the development stage. As such, the portion of the capital expenditures is expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

Debt and Leases

The District doesn't have any debt or leases.

Reserve Fund

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending, as defined under the TABOR Amendment.

This information is an integral part of the accompanying budget.

I, Ann E. Finn, hereby certify that I am the duly appointed Secretary of the Denargo Market Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2019, duly adopted at a meeting of the Board of Directors of the Denargo Market Metropolitan District No. 1 held on November 20, 2018.

By: AEF
Secretary

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of Denver County, Colorado.On behalf of the Denargo Market Metro District No. 1,
(taxing entity)^Athe Board of Directors,
(governing body)^Bof the Denargo Market Metro District No. 1,
(local government)^C

Hereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$ 30
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 \$ 30
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: (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: 12/05/2018 for budget/fiscal year 2019.
(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	<u>0.000</u> mills	\$ <u>0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u>0.000</u> > mills	\$ < <u>0</u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>0.000</u> mills	\$ <u>0</u>
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
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]	<u>0.000</u> mills	\$ <u>0</u>

Contact person: _____ Daytime
(print) Jason Carroll phone: 303-779-5710
Signed: Jason Carroll 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: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____
2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____
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.