

EAST CREEK METROPOLITAN DISTRICT NO. 1

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
Fax: 303-987-2032
<https://www.colorado.gov/eastcreekmd>

NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Greg Wright	Assistant Secretary	2022/May 2022
Cameron Nelson	Assistant Secretary	2023/May 2022
Serge Borso	Assistant Secretary	2022/May 2022
VACANT		2023/May 2022
VACANT		2022/May 2022

Peggy Ripko Secretary

DATE: March 28, 2022

TIME: 5:00 P.M.

PLACE: VIA ZOOM If you experience technical difficulties, email Peggy Ripko at pripko@sdmsi.com.

Join Zoom Meeting

<https://us02web.zoom.us/j/7601691090?pwd=R3B3cjMwdG5XeHlVNENwNU5MdDRDZz09>

Meeting ID: 760 169 1090

Passcode: 488323

Dial In: 1-253-215-8782

I. ADMINISTRATIVE MATTERS

A. Confirm Quorum and Present Conflict Disclosures.

B. Approve Agenda, confirm location of the meeting, posting of meeting notice and 24-Hour Posting Location.

C. Acknowledge the resignations of Michelle Trujillo and Matt Larsen effective as of December 15, 2021.

D. Consider appointment of Officers:

President _____
 Treasurer _____
 Secretary _____
 Asst. Secretary _____
 Asst. Secretary _____

E. Review and approve Minutes of the October 18, 2021 special meeting (enclosure).

F. Update regarding May 3, 2022 Regular Director Election.

II. PUBLIC COMMENTS (Items Not on the Agenda. As a courtesy to others, public comments limited to three minutes per person. Please state and spell your name before speaking and wait for confirmation before proceeding in order to facilitate notes).

A. _____

III. FINANCIAL MATTERS

A. Review and ratify the approval of the payment of claims as follows (enclosures):

Fund	Period Ending Oct. 31, 2021	Period Ending Nov. 30, 2021	Period Ending Dec. 31, 2021
General	\$ 42,950.64	\$ 10,444.43	\$ 14,537.45
Debt Service	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 42,950.64	\$ 10,444.43	\$ 14,537.45

Fund	Period Ending Jan. 10, 2022	Period Ending Feb. 15, 2022	Period Ending March 31, 2022
General	\$ 19,882.85	\$ 25,597.65	\$ 33,728.34
Debt Service	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 19,882.85	\$ 25,597.65	\$ 33,728.34

B. Review and accept unaudited financial statements for the period ending December 31, 2021 (enclosure).

- C. Consider engagement of Schilling & Company, Inc. to prepare the 2020 Audit for an amount not to exceed \$5,500 (enclosure).
-

IV. LEGAL MATTERS

- A. Discuss status of deed from Meritage Homes of Colorado, Inc. to the District conveying certain Tracts in East Creek Subdivision Filing No. 1 and acceptance of same (enclosure).
-
- B. Discuss status of Bill of Sale from Meritage Homes of Colorado, Inc. to the District for conveyance of certain public improvements and acceptance of same (enclosure).
-
- C. Discuss property and improvements ownership and maintenance responsibilities within the District's Boundaries.
-

V. COMMUNITY MANAGERS REPORT / COVENANT MATTERS

- A. Landscape Maintenance.
-
- B. Discuss status of resident fencing.
-

VI. CONSTRUCTION MATTERS

- A. Discuss status of development.
-

VII. OTHER BUSINESS

- A. _____
-

VIII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR JUNE 20, 2022.**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE EAST CREEK METROPOLITAN DISTRICT NO. 1 (THE "DISTRICT") HELD OCTOBER 18, 2021

A special meeting of the Board of Directors of the East Creek Metropolitan District No. 1 (the "District") was convened on Monday, October 18, 2021 at 4:00 p.m. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting was held via Zoom (neither District Representative nor the general public) attending in-person. The meeting was open to the public via conference call.

Directors In Attendance Were:

Michele Trujillo
Matthew Larsen
Greg Wright
Cameron Nelson

Also In Attendance Were:

Peggy Ripko and Jim Ruthven; Special District Management Services, Inc. ("SDMS")

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

Chelsey Green, Gary Fantasky, Lisa Albers: Meritage Homes of Colorado, Inc.

Laura Feland, Bradley Lehman, Lilli, Yenny B., Marty, Joyce, Thomas Daniels and Serge Boroso; Residents

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board noted that disclosures of potential conflict of interest statements for Directors Larsen and Trujillo were filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Williams requested that the Directors consider whether they had any additional conflicts of interest to disclose. Attorney Williams noted for the record that there were no new disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting and in accordance with the statutes. It was noted Directors Wright and Nelson are residents of the District.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed the proposed Agenda for the District's special meeting.

Following discussion, upon motion duly made by Director Nelson, seconded by Director Trujillo and, upon vote, unanimously carried, the Board approved the Agenda, as amended.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, upon motion duly made by Director Nelson, seconded by Director Trujillo and, upon vote, unanimously carried, the Board meeting was held by conference call. The Board further noted that notice of this format was duly posted within the boundaries of the District and the District has not received any objections to the format of the meeting or any requests that the meeting format be changed by taxpaying electors within the District's boundaries.

Appointment of Director: Deferred to end of the meeting.

Appointment of Officers: Deferred to end of the meeting

Minutes: The Board reviewed the minutes of the July 29, 2021 special meeting.

Following discussion, upon motion duly made by Director Nelson, seconded by Director Wright and, upon vote, unanimously carried, the Board approved the minutes of the July 29, 2021 special meeting.

Resolution No. 2021-10-01; Establishing 2022 Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices: The Board discussed Resolution No. 2021-10-01; Establishing 2022 Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices.

The Board discussed the business to be conducted in 2022 to meet the statutory compliance requirements. The Board determined to meet on March 28, 2022, June 20, 2022 and October 24, 2022 at 5:00 p.m. Via Zoom.

Following discussion, upon motion duly made by Director Nelson, seconded by Director Wright and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-10-01; Establishing 2022 Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices.

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2021: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2022.

RECORD OF PROCEEDINGS

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

PUBLIC COMMENT Public comment was deferred to the end of the meeting.

LEGAL MATTERS **Deed from Meritage Homes of Colorado, Inc.:** The Board discussed the deed from Meritage Homes of Colorado, Inc. to the District conveying certain Tracts in East Creek Subdivision Filing No. 1.

Following discussion, upon motion duly made by Director Nelson, seconded by Director Wright and, upon vote, unanimously carried the Board accepted the deed from Meritage Homes of Colorado, Inc. (“Meritage”) to the District conveying certain Tracts in East Creek Subdivision Filing No. 1, contingent upon a letter agreement with Meritage’s agreement to complete certain items reflected in Norris Inspection Report.

Bill of Sale from Meritage Homes of Colorado, Inc.: The Board reviewed the Bill of Sale from Meritage Homes of Colorado, Inc. to the District for conveyance of certain public improvements.

Following discussion, upon motion duly made by Director Nelson, seconded by Director Wright and, upon vote, unanimously carried the Board authorized acceptance of the Bill of Sale from Meritage, contingent upon Meritage’s agreement to complete certain ites reflected in the Norris Inspection Report.

Resolution No. 2021-10-02 ; Resolution Calling a Regular Election for Directors on May 3, 2022, appointing the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of mail ballot election: The Board considered the adoption of the Resolution No. 2021-10-02; Resolution Calling a Regular Election for Directors on May 3, 2022, appointing the DEO, and authorizing the DEO to perform all tasks required for the conduct of mail ballot election. Self-nomination Forms are due by February 25, 2022. The Board also discussed the need for ballot issues and/or questions.

Following consideration, upon motion duly made by Director Nelson, seconded by Director Wright and, upon vote, unanimously carried, the Board adopted the Resolution No. 2021-10-06; Resolution Calling a Regular Election for Directors on May 3, 2022, appointed Peggy Ripko as the DEO, and authorized the DEO to perform all tasks required for the conduct of mail ballot election.

RECORD OF PROCEEDINGS

FINANCIAL MATTERS

Claims: The Board considered the ratification of approval of the payment of claims as follows:

Fund	Period Ending July 31, 2021	Period Ending Aug. 6, 2021	Period Ending Sept. 30, 2021
General	\$ 7,104.71	\$ 7,262.47	\$ 19,066.22
Debt Service	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 7,104.71	\$ 7,262.47	\$ 19,066.22

Following discussion, upon motion duly made by Director Wright, seconded by Director Nelson and, upon vote unanimously carried, the Board ratified approval of the payment of claims, as presented.

Financial Statements and Schedule of Cash Position: Ms. Ripko presented to the Board the unaudited financial statements dated September 30, 2021 and schedule of cash position statement ending September 30, 2021.

Following review and discussion, upon motion duly made by Director Wright, seconded by Director Nelson and, upon vote unanimously carried, the Board accepted the unaudited financial statements dated September 30, 2021 and schedule of cash position statement ending September 30, 2021.

Engagement of Schilling & Company, Inc. for Preparation of 2021 Audit: The Board deferred discussion.

2021 Budget Amendment Hearing: The Board opened the public hearing to consider the Resolution to Amend the 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2021 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following review, upon motion duly made by Director Wright, seconded by Director Nelson and, upon vote unanimously carried, the Board adopted Resolution No. 2021-10-02 to Amend the 2021 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2022 Budget Hearing: The Board opened the public hearing to consider the proposed 2022 Budget and discuss related issues.

RECORD OF PROCEEDINGS

It was noted that publication of Notice stating that the Board would consider adoption of the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

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

Ms. Ripko reviewed the estimated 2021 expenditures and the proposed 2022 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2021-10-03; to Adopt the 2022 Budget and Appropriate Sums of Money and Resolution No. 2021-10-04; to Set Mill Levies (for the General Fund at 11.132 mills and the Debt Service Fund at 55.664 mills and ARI mill at 1.113 mills for a total mill levy of 67.909 mills). Upon motion duly made by Director Wright, seconded by Director Trujillo and, upon vote, unanimously carried, the Resolutions the Resolutions were adopted 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, 2021. Ms. Ripko was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Arapahoe County, not later than December 15, 2021. Ms. Ripko was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2022. Copies of the adopted Resolutions are attached to these Minutes and incorporated herein by this reference.

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

Following discussion, upon motion duly made by Director Nelson, seconded by Director Wright and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Amendment to Fee Resolution: The Board discussed the need to amend the District Fees.

Following discussion, upon motion duly made by Director Nelson, seconded by Director Wright, and upon vote, unanimously carried, the Board adopted Resolution No. 2021-10-05; Second Amended and Restated Resolution Regarding the Imposition of District Fees.

RECORD OF PROCEEDINGS

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan: The Board reviewed Resolution No. 2021-10-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with Service Plan.

Following discussion, upon motion duly made by Director Wright, seconded by Director Nelson and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-10-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan. A copy of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

COMMUNITY MANAGEMENT

Rules and Regulations Regarding Rentals: The Board discussed the Rules and Regulations regarding rentals in the Community. Ms. Ripko reported that without amending the Covenants, the District has no enforcement rights regarding rentals that are in violation of City of Aurora zoning.

Landscape Maintenance Services and Service Agreement: The Board reviewed the proposals for landscape maintenance services.

Following review and consideration, upon motion duly made by Director Nelson, seconded by Director Wright, the Board approved the Service Agreement between the District and Consolidated Divisions, Inc. for Landscape Maintenance Services.

Resident Fencing: The Board discussed the resident fencing. Ms. Ripko reported to the Board that the Poll on fencing was split. There was further discussion regarding solutions for uniform fencing in the community. Ms. Ripko will confer with Covenant Counsel regarding this issue.

Engagement of Altitude Community Law P.C. for Covenant Enforcement Legal Services: The Board considered the engagement of Altitude Community Law P.C. for covenant enforcement legal services.

Following review and consideration, upon motion duly made by Director Wright, seconded by Director Nelson, the Board approved the engagement of Altitude Community Law P.C. for covenant enforcement legal services.

CONSTRUCTION MATTERS

Status of Development: No update was given.

OTHER BUSINESS

Prairie Dog Issue: The Board discussed the prairie dog issue.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Wright, seconded by Director Nelson, the Board authorized the installation of a temporary silt fence as a method to control the prairie dogs.

Appointment of Director: The Board considered the appointment of Serge Borso to fill a vacancy on the Board of Directors.

Following discussion, upon motion duly made by Director Wright, seconded by Director Nelson and, upon vote, unanimously carried, Serge Borso was appointed to fill the vacancy on the Board of Directors. The Oath of Office was administered.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Wright, seconded by Director Nelson and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Matthew Larsen
Treasurer	Michele Trujillo
Secretary	Peggy Ripko
Assistant Secretary	Cameron Nelson
Assistant Secretary	Greg Wright
Assistant Secretary	Serge Borso

PUBLIC COMMENT Marty requested there be homeowner forums to discuss Community matters. He also discussed noise complaints. There was also discussion about. Prairie dogs and lighting on Ucla Street. It was noted the lighting on Ucla Street belongs to the City of Aurora.

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

**East Creek Metropolitan District No.1
October-21**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Colorado Special Districts P&L Pool	POL-0007255	9/19/2017	9/8/2021	\$ 450.00	Prepaid Expenses	1143
McGeady Becher P.C.	1346W 08/2021	8/31/2021	8/31/2021	\$ 90.00	Legal	1675
Meritage Homes	282759-179350 Sept. 2021	9/28/2021	10/12/2021	\$15,218.98	Utilites	1750
Meritage Homes	282759-179254 Sept. 2021	9/28/2021	10/12/2021	\$20,336.98	Utilites	1750
Meritage Homes	282759-179352 Sept. 2021	9/28/2021	10/12/2021	\$ 653.39	Utilites	1750
Special Dist Management Srvs	D1 09/2021	9/30/2021	9/30/2021	\$ 112.04	Miscellaneous	1685
Special Dist Management Srvs	D1 09/2021	9/30/2021	9/30/2021	\$ 570.00	Covenant Control/Comm Mgmt	1710
Special Dist Management Srvs	D1 09/2021	9/30/2021	9/30/2021	\$ 2,204.50	Management	1680
Special Dist Management Srvs	D1 09/2021	9/30/2021	9/30/2021	\$ 714.00	Accounting	1612
Special Dist Management Srvs	D1 09/2021	9/30/2021	9/30/2021	\$ 221.00	Billing & Collection	1721
Special Dist Management Srvs	D2 09/2021	9/30/2021	9/30/2021	\$ 3.73	Miscellaneous	1685
Special Dist Management Srvs	D2 09/2021	9/30/2021	9/30/2021	\$ 182.00	Management	1680
Special Dist Management Srvs	D2 09/2021	9/30/2021	9/30/2021	\$ 56.00	Accounting	1612
UNCC	26346-221090500	9/30/2021	9/30/2021	\$ 19.80	Miscellaneous	1685
Waste Management of Denver	7304027-2514-9	10/1/2021	10/31/2021	\$ 2,104.93	Trash and Recycling	1736
Xpress Bill Pay	60016	10/1/2021	10/6/2021	\$ 13.29	Billing & Collection	1721
				\$42,950.64		

East Creek Metropolitan District No.1
October-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 42,950.64		\$ -	\$ 42,950.64
Total Disbursements from Checking Acct	\$ 42,950.64	\$0.00	\$0.00	\$ 42,950.64

**East Creek Metropolitan District No.1
November-21**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Aurora Media Group	101344	10/15/2021	10/15/2021	\$ 49.45	Miscellaneous	1685
McGeady Becher P.C.	1346W 9-2021	9/30/2021	10/1/2021	\$ 1,287.50	Legal	1675
Special Dist Management Srvs	D2 10-2021	10/31/2021	10/31/2021	\$ 28.08	Miscellaneous	1685
Special Dist Management Srvs	D2 10-2021	10/31/2021	10/31/2021	\$ 1,209.50	Management	1680
Special Dist Management Srvs	D2 10-2021	10/31/2021	10/31/2021	\$ 84.00	Accounting	1612
Special Dist Management Srvs	D1 10-2021	10/31/2021	10/31/2021	\$ 153.10	Miscellaneous	1685
Special Dist Management Srvs	D1 10-2021	10/31/2021	10/31/2021	\$ 826.50	Covenant Control/Comm Mgmt	1710
Special Dist Management Srvs	D1 10-2021	10/31/2021	10/31/2021	\$ 3,048.50	Management	1680
Special Dist Management Srvs	D1 10-2021	10/31/2021	10/31/2021	\$ 924.00	Accounting	1612
Special Dist Management Srvs	D1 10-2021	10/31/2021	10/31/2021	\$ 581.00	Billing & Collection	1721
UNCC	221100503	10/31/2021	10/31/2021	\$ 3.96	Miscellaneous	1685
Waste Management of Denver	7347063-2514-3	11/1/2021	12/1/2021	\$ 2,158.47	Trash and Recycling	1736
Xcel Energy	752442657	10/15/2021	11/4/2021	\$ 21.91	Utilites	1750
Xpress Bill Pay	60727	11/1/2021	11/6/2021	\$ 68.46	Billing & Collection	1721
				\$ 10,444.43		

East Creek Metropolitan District No.1
November-21

	General	Debt	Capital	Totals
Disbursements	\$ 10,444.43		\$ -	\$ 10,444.43
Total Disbursements from Checking Acct	\$ 10,444.43	\$0.00	\$0.00	\$ 10,444.43

East Creek Metropolitan District No.1

December-21

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Altitude Community Law P.C.	1834 M 11-2021	10/31/2021	10/31/2021	\$ 101.00	Legal	1675
Aurora Water	179352 November 2021	11/19/2021	12/9/2021	\$ 1,023.45	Utilites	1750
Aurora Water	179254 November 2021	11/19/2021	12/9/2021	\$ 754.91	Utilites	1750
Aurora Water	179350 November 2021	11/19/2021	12/9/2021	\$ 1,080.64	Utilites	1750
Colorado Special Districts P&L Pool	POL-0009499	9/26/2021	9/26/2021	\$ 2,284.00	Prepaid Expenses	1143
McGeady Becher P.C.	1346W 10-2021	10/31/2021	10/31/2021	\$ 3,898.50	Legal	1675
Special Dist Management Srvs	D2 11-2021	11/30/2021	11/30/2021	\$ 0.80	Miscellaneous	1685
Special Dist Management Srvs	D2 11-2021	11/30/2021	11/30/2021	\$ 90.00	Management	1680
Special Dist Management Srvs	D2 11-2021	11/30/2021	11/30/2021	\$ 42.00	Accounting	1612
Special Dist Management Srvs	D1 11-2021	11/30/2021	11/30/2021	\$ 80.26	Miscellaneous	1685
Special Dist Management Srvs	D1 11-2021	11/30/2021	11/30/2021	\$ 484.50	Covenant Control/Comm Mgmt	1710
Special Dist Management Srvs	D1 11-2021	11/30/2021	11/30/2021	\$ 909.50	Management	1680
Special Dist Management Srvs	D1 11-2021	11/30/2021	11/30/2021	\$ 882.00	Accounting	1612
Special Dist Management Srvs	D1 11-2021	11/30/2021	11/30/2021	\$ 266.50	Billing & Collection	1721
T Charles Wilson Insurance Service	10349	10/25/2021	1/1/2022	\$ 495.00	Prepaid Expenses	1143
UNCC	221110498	11/30/2021	11/30/2021	\$ 6.60	Miscellaneous	1685
Waste Management of Denver	7389438-2514-6	12/1/2021	12/31/2021	\$ 2,107.63	Trash and Recycling	1736
Xcel Energy	756453155	11/15/2021	12/6/2021	\$ 13.50	Utilites	1750
Xpress Bill Pay	61434	12/1/2021	12/6/2021	\$ 16.66	Billing & Collection	1721

\$ 14,537.45

East Creek Metropolitan District No.1
December-21

	General	Debt	Capital	Totals
Disbursements	\$ 14,537.45		\$ -	\$ 14,537.45
Total Disbursements from Checking Acct	\$ 14,537.45	\$0.00	\$0.00	\$ 14,537.45

East Creek Metropolitan District No.1
January-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Aurora Water	179254 December 2021	12/21/2021	1/10/2022	\$ -	Utilites	1750
Aurora Water	179350 December 2021	12/21/2021	1/10/2022	\$ -	Utilites	1750
Aurora Water	179352 December 2021	12/21/2021	1/10/2022	\$ -	Utilites	1750
CDI Consolidated Division, Inc.	2002632	1/6/2022	1/21/2022	\$ 11,090.00	Snow Removal	1731
Colorado Special Districts P&L Pool	15133	12/23/2021	12/23/2021	\$ 29.00	Prepaid Expenses	1143
Colorado Special Districts P&L Pool	POL-0009499	12/23/2021	12/23/2021	\$ 2,554.00	Prepaid Expenses	1143
McGeady Becher P.C.	1346W 11-2021	11/30/2021	11/30/2021	\$ 270.50	Legal	1675
Pet Scoop	383901	12/31/2021	1/15/2022	\$ 143.40	Covenant Control/Comm Mgmt	1710
Special Dist Management Srvs	D2 12-2021	12/31/2021	12/31/2021	\$ 0.80	Miscellaneous	1685
Special Dist Management Srvs	D2 12-2021	12/31/2021	12/31/2021	\$ 378.00	Management	1680
Special Dist Management Srvs	D2 12-2021	12/31/2021	12/31/2021	\$ 98.00	Accounting	1612
Special Dist Management Srvs	D1 12-2021	12/31/2021	12/31/2021	\$ 177.41	Miscellaneous	1685
Special Dist Management Srvs	D1 12-2021	12/31/2021	12/31/2021	\$ 693.50	Covenant Control/Comm Mgmt	1710
Special Dist Management Srvs	D1 12-2021	12/31/2021	12/31/2021	\$ 1,091.50	Management	1680
Special Dist Management Srvs	D1 12-2021	12/31/2021	12/31/2021	\$ 784.00	Accounting	1612
Special Dist Management Srvs	D1 12-2021	12/31/2021	12/31/2021	\$ 390.00	Billing & Collection	1721
UNCC	221120479	12/31/2021	12/31/2021	\$ 5.28	Miscellaneous	1685
Waste Management of Denver	7433876-2514-3	1/4/2022	2/3/2022	\$ 2,150.39	Trash and Recycling	1736
Xcel Energy	760618433	12/17/2021	1/10/2022	\$ 13.40	Utilites	1750
Xpress Bill Pay	62141	12/31/2021	1/5/2022	\$ 13.67	Billing & Collection	1721
				\$ 19,882.85		

East Creek Metropolitan District No.1
January-22

	General	Debt	Capital	Totals
Disbursements	\$ 19,882.85		\$ -	\$ 19,882.85
Total Disbursements from Checking Acct	\$ 19,882.85	\$0.00	\$0.00	\$ 19,882.85

East Creek Metropolitan District No.1
February-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Aurora Media Group	102174	2/4/2022	2/4/2022	\$ 50.30	Miscellaneous	1685
CDI Consolidated Division, Inc.	2003129	1/26/2022	2/11/2022	\$ 7,244.00	Snow Removal	1731
CDI Consolidated Division, Inc.	2002761	1/12/2022	2/11/2022	\$ 10,917.50	Snow Removal	1731
McGeady Becher P.C.	1346W 12-2021	12/31/2021	12/31/2021	\$ 868.00	Legal	1675
Pet Scoop	387332	1/31/2022	2/15/2022	\$ 239.00	Covenant Control/Comm Mgmt	1710
Special Dist Management Srvs	D2 1-2022	1/31/2022	1/31/2022	\$ 360.40	Management	1680
Special Dist Management Srvs	D2 1-2022	1/31/2022	1/31/2022	\$ 222.00	Accounting	1612
Special Dist Management Srvs	D1 1-2022	1/31/2022	1/31/2022	\$ 280.17	Miscellaneous	1685
Special Dist Management Srvs	D1 1-2022	1/31/2022	1/31/2022	\$ 600.00	Covenant Control/Comm Mgmt	1710
Special Dist Management Srvs	D1 1-2022	1/31/2022	1/31/2022	\$ 817.20	Management	1680
Special Dist Management Srvs	D1 1-2022	1/31/2022	1/31/2022	\$ 1,095.20	Accounting	1612
Special Dist Management Srvs	D1 1-2022	1/31/2022	1/31/2022	\$ 679.00	Billing & Collection	1721
UNCC	222010455	1/31/2022	1/31/2022	\$ 1.30	Miscellaneous	1685
Waste Management of Denver	7477146-2514-8	2/1/2022	3/3/2022	\$ 2,144.70	Trash and Recycling	1736
Xcel Energy	764472878	1/19/2022	2/8/2022	\$ 13.51	Utilites	1750
Xpress Bill Pay	62850	1/31/2022	2/5/2022	\$ 65.37	Billing & Collection	1721
				\$ 25,597.65		

East Creek Metropolitan District No.1

February-22

	General	Debt	Capital	Totals
Disbursements	\$ 25,597.65		\$ -	\$ 25,597.65
Total Disbursements from Checking Acct	\$ 25,597.65	\$0.00	\$0.00	\$ 25,597.65

East Creek Metropolitan District No.1
March-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
CDI Consolidated Division, Inc.	2003412	2/5/2022	2/20/2022	\$ 6,855.00	Snow Removal	1731
CDI Consolidated Division, Inc.	2003835	2/25/2022	3/12/2022	\$ 1,125.00	Snow Removal	1731
CDI Consolidated Division, Inc.	2003515	2/12/2022	2/12/2022	\$ 8,175.75	Snow Removal	1731
CDI Consolidated Division, Inc.	2003723	2/17/2022	2/17/2022	\$ 8,835.00	Snow Removal	1731
CDI Consolidated Division, Inc.	2003286	1/28/2022	2/12/2022	\$ 27.50	Snow Removal	1731
McGeady Becher P.C.	1346W 1-2022	1/31/2022	1/31/2022	\$ 1,125.00	Legal	1675
Pet Scoop	391104	2/28/2022	3/15/2022	\$ 239.00	Covenant Control/Comm Mgmt	1710
Special Dist Management Svcs	D2 02-2022	2/28/2022	2/28/2022	\$ 311.80	Management	1680
Special Dist Management Svcs	D2 02-2022	2/28/2022	2/28/2022	\$ 266.40	Accounting	1612
Special Dist Management Svcs	D1 20-2022	2/28/2022	2/28/2022	\$ 197.98	Miscellaneous	1685
Special Dist Management Svcs	D1 20-2022	2/28/2022	2/28/2022	\$ 1,040.00	Covenant Control/Comm Mgmt	1710
Special Dist Management Svcs	D1 20-2022	2/28/2022	2/28/2022	\$ 1,202.20	Management	1680
Special Dist Management Svcs	D1 20-2022	2/28/2022	2/28/2022	\$ 1,080.40	Accounting	1612
Special Dist Management Svcs	D1 20-2022	2/28/2022	2/28/2022	\$ 364.00	Billing & Collection	1721
Special District Association	D1 2022 SDA	2/28/2022	2/28/2022	\$ 443.25	Insurance/SDA Dues	1670
Special District Association	D2 2022 SDA	2/28/2022	2/28/2022	\$ 225.25	Insurance/SDA Dues	1670
UNCC	222020469	2/28/2022	2/28/2022	\$ 2.60	Miscellaneous	1685
Waste Management of Denver	7519074-2514-2	3/1/2022	3/31/2022	\$ 2,180.03	Trash and Recycling	1736
Xcel Energy	768453027	2/17/2022	3/10/2022	\$ 13.29	Utilites	1750
Xpress Bill Pay	63561	2/28/2022	3/5/2022	\$ 18.89	Billing & Collection	1721
				\$ 33,728.34		

East Creek Metropolitan District No.1
March-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 33,728.34		\$ -	\$ 33,728.34
Total Disbursements from Checking Acct	\$ 33,728.34	\$0.00	\$0.00	\$ 33,728.34

EAST CREEK METROPOLITAN DISTRICT NO. 1
Schedule of Cash Position
December 31, 2021

	Rate	Operating	Debt Service	Capital Projects	Total
Checking:					
Cash in Bank-1st Bank		\$ (753.02)	\$ 197,004.09	\$ -	\$ 196,251.07
Trustee:					
UMB Sr. Bond Fund 149658.1		-	150.47	-	150.47
UMB Reserve Fund 149658.2		-	320,135.26	-	320,135.26
UMB Surplus Fund 149658.3		-	16,000.67	-	16,000.67
UMB Sr. Proj Fd Rest 658.4		-	-	228,928.59	228,928.59
UMB Sub Proj Fd Rest 659.2		-	-	65,371.63	65,371.63
TOTAL FUNDS:		\$ (753.02)	\$ 533,290.49	\$ 294,300.22	\$ 826,837.69

2021 Mill Levy Information

Certified General Fund Mill Levy	11.132
Certified Debt Service Fund Mill Levy	55.664
Certified ARI Mill Levy	1.113
Total Certified Mill Levy	67.909

Board of Directors

Greg Wright
Serge Borso
Cameron Nelson
Peggy Ripko

*authorized signer on checking account

EAST CREEK METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS

December 31, 2021

EAST CREEK METROPOLITAN DISTRICT NO. 1
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 2021

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>LONG-TERM DEBT</u>	<u>TOTAL</u>
Assets					
Cash in Bank-1st Bank	\$ (753)	\$ 197,004	\$ -	\$ -	\$ 196,251
Xpress Deposit Account	25,000	-	-	-	25,000
Cash with County Treasurer	207	942	-	-	1,149
Property Taxes Receivable	60,410	274,613	-	-	335,023
Accounts Receivable	10,376	-	-	-	10,376
Prepaid Expenses	3,229	-	-	-	3,229
UMB Sr. Bond Fund 149658.1	-	150	-	-	150
UMB Reserve Fund 149658.2	-	320,135	-	-	320,135
UMB Surplus Fund 149658.3	-	16,001	-	-	16,001
UMB Sr. Proj Fd Rest 658.4	-	-	228,929	-	228,929
UMB Sub Proj Fd Rest 659.2	-	-	65,372	-	65,372
Total Current Assets	<u>98,469</u>	<u>808,845</u>	<u>294,300</u>	<u>-</u>	<u>1,201,615</u>
Other Debits					
Amount in Debt Service Fund	-	-	-	534,232	534,232
Amount to be Provided for Debt	-	-	-	4,527,471	4,527,471
Total Other Debits	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,061,703</u>	<u>5,061,703</u>
Total Assets	<u>\$ 98,469</u>	<u>\$ 808,845</u>	<u>\$ 294,300</u>	<u>\$ 5,061,703</u>	<u>\$ 6,263,318</u>
Liabilities					
Accounts Payable	\$ 6,786	\$ -	\$ -	\$ -	\$ 6,786
Bonds Payable 2019A	-	-	-	4,010,000	4,010,000
Bonds Payable 2019B	-	-	-	584,000	584,000
Developer Advances - Capital	-	-	-	377,063	377,063
Accrued Interest - Dev Adv Cap	-	-	-	26,694	26,694
Developer Advance - Operations	-	-	-	52,273	52,273
Accrued Interest - Dev Adv Ops	-	-	-	11,673	11,673
Total Liabilities	<u>6,786</u>	<u>-</u>	<u>-</u>	<u>5,061,703</u>	<u>5,068,488</u>
Deferred Inflows of Resources					
Deferred Property Taxes	60,410	274,613	-	-	335,023
Total Deferred Inflows of Resources	<u>60,410</u>	<u>274,613</u>	<u>-</u>	<u>-</u>	<u>335,023</u>
Fund Balance					
Fund Balance	39,129	548,269	470,670	-	1,058,068
Current Year Earnings	(7,855)	(14,036)	(176,370)	-	(198,262)
Total Fund Balances	<u>31,274</u>	<u>534,232</u>	<u>294,300</u>	<u>-</u>	<u>859,806</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 98,469</u>	<u>\$ 808,845</u>	<u>\$ 294,300</u>	<u>\$ 5,061,703</u>	<u>\$ 6,263,318</u>

EAST CREEK METROPOLITAN DISTRICT NO. 1
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the 12 Months Ending
December 31, 2021

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Property Tax Revenue	\$ -	\$ 33,485	\$ 33,485	\$ 0	100.0%
Specific Ownership Taxes	771	2,308	2,009	299	114.9%
O & M Fees	28,110	107,366	85,210	22,156	126.0%
ARI Fees	77	3,579	3,348	231	106.9%
Working Capital	795	2,595	-	2,595	-
Interest Income	98	159	10	149	1593%
Miscellaneous Income	50	1,645	500	1,145	329%
Total Revenues	<u>29,902</u>	<u>151,137</u>	<u>124,562</u>	<u>26,575</u>	<u>121.3%</u>
Expenditures					
Accounting	3,584	13,314	10,000	(3,314)	133.1%
Audit	-	4,800	5,000	200	96.0%
Insurance/SDA Dues	29	4,450	4,250	(200)	104.7%
Legal	6,516	14,753	15,000	247	98.4%
Management	9,114	22,730	15,000	(7,730)	151.5%
Miscellaneous	992	4,076	2,000	(2,076)	203.8%
Treasurer's Fees	-	502	502	(0)	100.1%
Covenant Control/Comm Mgmt	2,718	9,415	14,345	4,930	65.6%
Drainage	-	675	2,000	1,326	33.7%
Billing & Collection	1,571	4,100	8,000	3,900	51.2%
Landscaping	-	15,990	28,480	12,490	56.1%
Fencing	-	-	1,500	1,500	0.0%
Trash and Recycling	6,371	23,363	7,500	(15,863)	311.5%
Park	-	-	5,000	5,000	0.0%
Utilites	39,117	50,651	7,500	(43,151)	675.3%
Monuments	-	-	1,000	1,000	0.0%
Mailboxes	-	-	750	750	0.0%
Contingency	-	-	3,000	3,000	0.0%
Covenant Enforcement - Legal	-	-	2,500	2,500	0.0%
Total Expenditures	<u>70,010</u>	<u>168,819</u>	<u>133,327</u>	<u>(35,492)</u>	<u>126.6%</u>
Excess (Deficiency) of Revenues Over Expenditures	(40,109)	(17,682)	(8,765)	(8,917)	
Transfers and Other Sources (Uses)					
Emergency Reserve	-	-	(1,005)	1,005	
ARI Fees	-	(50)	(3,348)	3,298	
Transfer to Capital Proj. Fund	27	(27)	-	(27)	
Transfer from District No. 2	(65)	9,904	3,030	6,874	
Total Transfers and Other Sources (Uses)	<u>(38)</u>	<u>9,827</u>	<u>(1,323)</u>	<u>11,150</u>	
Change in Fund Balance	(40,147)	(7,855)	(10,088)	2,233	
Beginning Fund Balance	71,420	39,129	34,489	4,640	
Ending Fund Balance	<u>\$ 31,274</u>	<u>\$ 31,274</u>	<u>\$ 24,401</u>	<u>\$ 6,873</u>	

EAST CREEK METROPOLITAN DISTRICT NO. 1
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Debt Service Fund
For the 12 Months Ending
December 31, 2021

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Property Tax Revenue	\$ -	\$ 167,439	\$ 167,439	\$ (0)	100.0%
Specific Ownership Taxes	3,857	11,540	10,046	1,494	114.9%
Interest Income	26	201	2,500	(2,299)	8.0%
Total Revenues	<u>3,883</u>	<u>179,180</u>	<u>179,985</u>	<u>(805)</u>	<u>99.6%</u>
Expenditures					
Bond Interest	105,263	210,525	210,525	-	100.0%
Paying Agent Fees	-	7,044	7,500	456	93.9%
Treasurer's Fees	-	2,512	2,512	(0)	100.0%
Total Expenditures	<u>105,263</u>	<u>220,081</u>	<u>220,537</u>	<u>456</u>	<u>99.8%</u>
Excess (Deficiency) of Revenues Over Expenditures	(101,380)	(40,901)	(40,552)	(349)	
Other Financing Sources (Uses)					
Transfer From District No. 2	446	26,865	26,780	85	
Other Financing Sources (Uses)	<u>446</u>	<u>26,865</u>	<u>26,780</u>	<u>85</u>	
Change in Fund Balance	(100,934)	(14,036)	(13,772)	(264)	
Beginning Fund Balance	635,612	548,269	549,334	(1,065)	
Ending Fund Balance	<u>\$ 534,232</u>	<u>\$ 534,232</u>	<u>\$ 535,562</u>	<u>\$ (1,330)</u>	

EAST CREEK METROPOLITAN DISTRICT NO. 1
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the 12 Months Ending
December 31, 2021

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Interest Income	\$ 38	\$ 158	\$ -	\$ 158	-
Total Revenues	<u>38</u>	<u>158</u>	<u>-</u>	<u>158</u>	<u>-</u>
Expenditures					
Miscellaneous	14	36	-	(36)	-
Total Expenditures	<u>14</u>	<u>36</u>	<u>-</u>	<u>(36)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	24	123	-	123	
Other Financing Sources (Uses)					
Developer Reimbursement	-	(176,520)	-	(176,520)	
Transfer from General Fund	27	27	-	27	
Other Financing Sources (Uses)	<u>27</u>	<u>(176,493)</u>	<u>-</u>	<u>(176,493)</u>	
Change in Fund Balance	51	(176,370)	-	(176,370)	
Beginning Fund Balance	294,249	470,670	-	470,670	
Ending Fund Balance	<u>\$ 294,300</u>	<u>\$ 294,300</u>	<u>\$ -</u>	<u>\$ 294,300</u>	



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

November 28, 2021

East Creek Metropolitan District No. 1
c/o Special District Management Services, Inc.
141 S. Union Blvd., Suite 150
Lakewood, CO 80228

Board of Directors:

We are pleased to confirm our understanding of the services we are to provide East Creek Metropolitan District No. 1 (District) for the year ended December 31, 2021.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2021. Accounting standards generally accepted in the United States of America (GAAS) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI, if presented, in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The RSI, as listed in the table of contents of the basic financial statements, is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

We have also been engaged to report on supplementary information, if presented, other than RSI that accompanies the District's financial statements. We will subject the supplementary information, as listed in the table of contents of the basic financial statements, to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements.

In connection with our audit of the basic financial statements, we will read the other information, if presented, as listed in the table of contents of the basic financial statements, and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation of the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise a substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and

liabilities by correspondence with selected individuals, funding sources, customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions.-The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare the financial statements of the District in conformity with U.S. generally accepted accounting principles based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions and other matters; (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Schilling & Company, Inc., will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

With regard to an exempt offering document with which Schilling & Company, Inc. is not involved, you agree to clearly indicate in the exempt offering document that Schilling & Company, Inc. is not involved with the contents of such offering document.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles, if presented. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information

contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant those emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Schilling & Company, Inc. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulators and their designees. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Schilling & Company, Inc. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulators or its designee. The regulators or their designees may intend or decide to distribute the copies or information contained therein to others, including other agencies.

Dawn Schilling is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be \$5,000, unless matters arise as discussed below. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Any calculations performed in connection with the District's TABOR compliance will be billed at our standard hourly rate of \$185.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements which may also address other information in accordance with AU-C 720, The Auditor's Responsibilities Relating to Other Information Included in Annual Reports. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express our opinions or withdraw from this engagement.

In accordance with C.R.S. § 8-17.5-101, *et seq.*, the Company hereby certifies to the District that:

The Company hereby states to the District that the Company does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that it will participate in the E-Verify Program or Department Program (as defined in §8-17.5-101 C.R.S.) in order to confirm the employment eligibility of all employees of the Company who are newly hired to perform work under the Agreement.

In accordance with §8-17.5-102 C.R.S., the Company shall not:

- (a) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or
- (b) Enter into a contract with a subcontractor that fails to certify to the Company that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

The Company represents and warrants it has confirmed the employment eligibility of all of its employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

The Company is prohibited from using the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

If the Company obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Company shall:

- (a) Notify the subcontractor and the District within three days that the Company has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
- (b) Terminate the subcontract with the subcontractor if within three days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Company shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

The Company shall comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation that the Department is undertaking pursuant to the authority established in §8-17.5-102, C.R.S.

If the Company violates any provision of § 8-17.5-102, C.R.S., the District may terminate the Agreement immediately and the Company shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by the Company to the Colorado Secretary of State, as required by law.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

SCHILLING & COMPANY, INC.

Schilling & Company, Inc.

RESPONSE:

This letter correctly sets forth the understanding of East Creek Metropolitan District No. 1.

Board Member Signature: _____

Title: _____

Date: _____

After Recording Return To:
McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80237
Attn: Paula Williams

No Documentary Fee - Exempt

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED, made this 19 day of October, 2021,
between MERITAGE HOMES OF COLORADO, INC., an Arizona corporation, whose address
is 8800 E. Raintree Drive, Suite 300, Scottsdale, Arizona 85260 (the “Grantor”), and EAST
CREEK METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political
subdivision of the State of Colorado, whose address is c/o Special District Management Services,
Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228 (the “Grantee”).

WITNESSETH, that the Grantor, for and in consideration of the sum of TEN AND
00/100 DOLLARS and other good and valuable consideration, the receipt and sufficiency of
which are hereby acknowledged, has granted, bargained, sold and conveyed, and by these
presents does grant, bargain, sell, convey and confirm, unto Grantee, and Grantee's successors
and assigns forever, all the real property, together with all improvements, if any, situate, lying
and being in the County of Arapahoe, State of Colorado, as more particularly described on
Exhibit A attached hereto and incorporated herein by this reference (the “Property”).

TOGETHER WITH all and singular the hereditaments and appurtenances thereto
belonging, or in anywise appertaining, and the reversion and reversions, remainder and
remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and
demand whatsoever, of the Grantor, either in law or in equity, of, in and to the Property, with the
hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto Grantee, and Grantee's successors and assigns forever. Grantor, for Grantor and Grantor's successors and assigns, does covenant and agree that Grantor shall and will WARRANT AND FOREVER DEFEND the above bargained Property in the quiet and peaceable possession of Grantee, and Grantee's successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under Grantor, subject to those matters of record.

IN WITNESS WHEREOF, this Special Warranty Deed is executed by the Grantor as of the day and year first above written.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT A

Tracts A through U, inclusive
East Creek Subdivision Filing No. 1
City of Aurora, County of Arapahoe, State of Colorado

BILL OF SALE

KNOW ALL BY THESE PRESENTS that **Meritage Homes of Colorado, Inc.**, an Arizona corporation (“**Grantor**”), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, has bargained and sold, and by these presents does grant and convey unto **East Creek Metropolitan District No. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is c/o Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228 (“**District**”), its successors and assigns, all of Grantor’s right, title and interest in and to the facilities, personal property and the improvements listed on located on the real property described on **Exhibit A** attached hereto and incorporated herein by referenced (the “**Improvements**”).

TO HAVE AND TO HOLD the same unto the District, its successors and assigns forever; and Grantor, its successors and assigns, shall warrant and defend the sale of said Improvements made unto the District, its successors and assigns, against all and every person or persons whomsoever, and warrants that (i) the conveyance of the Improvements to the District, its successors and assigns, is made free from any claim or demand whatsoever; and (ii) the Improvements were constructed and installed in accordance with plans and specifications reviewed and approved by the District and all applicable Rules and Regulations of the District.

EXHIBIT A

Tracts A through U, inclusive
East Creek Subdivision Filing No. 1
City of Aurora, Arapahoe County, Colorado

