

STONE CREEK METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
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NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Patrick L. Lyng	President	2022/May 2022
Peter J. Klymkow	Treasurer	2023/May 2023
Eric Kubly	Assistant Secretary	2022/May 2022
Mauricio Barbera	Assistant Secretary	2023/May 2023
VACANT		2022/May 2022
Peggy Ripko	Secretary	

DATE: August 26, 2020

TIME: 11:00 A.M.

PLACE: 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 WILL BE HELD BY CONFERENCE CALL WITHOUT ANY INDIVIDUALS (NEITHER DISTRICT REPRESENTATIVES NOR THE GENERAL PUBLIC) ATTENDING IN PERSON. IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE CALL IN TO THE CONFERENCE BRIDGE AT **877-221-1978** AND WHEN PROMPTED, DIAL IN THE PASSCODE OF **9521151**. *Please email Peggy Ripko if there are any issues (pripko@sdmsi.com).*

I. ADMINISTRATIVE MATTERS

A. Present Conflict Disclosures.

B. Approve Agenda confirm location of the meeting and posting of meeting notices.

C. Review and consider approval of Minutes from the May 27, 2020 Special Meeting (enclosure).

- D. Discuss Board vacancies and consider appointment of qualified individual to Board of Directors.
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- E. Discuss appointment of officers, if necessary.
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II. FINANCIAL MATTERS

- A. Review and ratify approval of payment of claims for the following period (enclosures):

Fund	Period Ending May, 2020	Period Ending June, 2020	Period Ending July, 2020	Period Ending August, 2020
General	\$ 4,841.80	\$ 10,095.64	\$ 3,416.20	\$ 8,313.05
Fee Revenue	\$ 211.50	\$ 76.00	\$ 1,307.13	\$ 3,885.43
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ 6,176.49	\$ 3,071.66	\$ 2,260.41	\$ 2,695.35
Total	\$ 11,229.79	\$ 13,243.30	\$ 6,983.74	\$ 14,893.83

- B. Review and consider approval of unaudited financial statements ending June 30, 2020, schedule of cash position for the period ending June 30, 2020 updated August 20, 2020, and developer advances dated June 30, 2020, updated August 20, 2020 (enclosure).
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III. CAPITAL IMPROVEMENTS

- A. Discuss Project Status Report.
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IV. EXPENDITURE VERIFICATION/COST CERTIFICATION

- A. Discuss status of Expenditure Verification Report No. 11 certifying District Eligible Improvements in the amount of \$ _____ (Pay Application Nos. _____ under the Hudick Excavating, Inc. (“HEI Contract”) (to be distributed).
-

- B. Ratify approval of Pay Application Nos. 23 - 26 under the HEI Contract.
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- C. Discuss and consider approval of Pay Application Nos. ___ through ___ under the HEI Contract (to be distributed).
-

V. LEGAL MATTERS

- A. Discuss status of conversations with Denver Southeast Suburban Water and Sanitation District d/b/a Pinery Water and Wastewater District regarding water meter pits.
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- B. Discuss need for certain easements to be granted to District.
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- C. Discuss potential updates to recorded Disclosure to Purchasers (enclosure).
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VI. OPERATIONS AND MAINTENANCE

- A. Ratify approval of Service Agreement for Trash Removal Services by and between Stone Creek Metropolitan District (“District”) and Waste Management of Colorado, Inc. (enclosure).
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VII. COVENANT ENFORCEMENT/DESIGN REVIEW

- A. Discuss Community Manager’s Update.
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- B. Review and consider approval of Engagement Letter by and between the District and Altitude Community Law P.C. for Covenant Design Guideline Enforcement and Fee Collection Services (enclosures).
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VIII. OTHER BUSINESS

- A. _____
-

- IX. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 18, 2020 (BUDGET HEARING).**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE STONE CREEK METROPOLITAN DISTRICT (THE “DISTRICT”) HELD MAY 27, 2020

A Special Meeting of the Board of Directors of the Stone Creek Metropolitan District (referred to hereafter as the “Board”) was convened on Wednesday, the 27th day of May, 2020, at 11:00 a.m. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held and properly noticed to be held by conference call without any individuals (neither District representative nor the general public) attending in person. The meeting was open to the public via conference call.

Directors In Attendance Were:

Patrick L. Lyng
Peter J. Klymkow
Eric Kubly
Mauricio Barbera

Also In Attendance Was:

Peggy Ripko; Special District Management Services, Inc. (“SDMS”)

Elisabeth Cortese, Esq.; McGeady Becher P.C.

Gigi Pangindian; CliftonLarsonAllen LLP (“CLA”)

Mike Sanders; Choke Cherry Investors, LLC

Shawnee Williams; Choke Cherry Investors, LLC (for a portion of the meeting)

**DISCLOSURE OF
POTENTIAL
CONFLICTS OF
INTEREST**

The Board noted that disclosures of potential conflict of interest statements for each of the Directors were filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Cortese requested that the Directors consider whether they had any additional conflicts of interest to disclose. Attorney Cortese 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.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: Ms. Ripko distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Barbera, seconded by Director Lyng and, upon vote, unanimously carried, the Agenda for the District's Special Meeting was approved, 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 Barbera, seconded by Director Lyng and, upon vote unanimously carried, the Board determined that due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held by conference call without any individuals (neither District representative nor the general public) attending in person. The Board further noted that notice of this location was duly posted and that they have not received any objections or requests that the means of hosting the meeting be changed by taxpaying electors within its boundaries.

Minutes: The Board reviewed the Minutes of the February 26, 2020 Regular Meeting.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Kubly and, upon vote unanimously carried, the Board approved the Minutes of the February 26, 2020 Regular Meeting.

Results of May 5, 2020 Regular Election: Ms. Ripko discussed with the Board the results of the May 5, 2020 Regular Election for Directors ("Election"). It was noted that the Election was cancelled, as permitted by statute and that Directors Klymkow and Barbera were deemed elected to three-year terms ending in 2023.

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

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

President	Patrick Lyng
Treasurer	Peter Klymkow
Secretary	Peggy Ripko
Assistant Secretary	Eric Kubly
Assistant Secretary	Mauricio Barbera

RECORD OF PROCEEDINGS

2020 SDA Annual Conference: Ms. Ripko advised the Board regarding the 2020 SDA Annual Conference, scheduled on September 23, 24, and 25, 2020, noting the format for the conference is unknown and the first deadline date for registration is currently July 1, 2020.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims from October 24, 2019 through February 19, 2020 in the amount of \$29,690.24.

Following discussion, upon motion duly made by Director Barbera, seconded by Director Lyng and, upon vote, unanimously carried, the Board ratified approval of the payment of claims from October 24, 2019 through February 19, 2020 in the amount of \$29,690.24.

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

Fund	Period Ending Mar. 31, 2020	Period Ending Apr. 30, 2020
General	\$ 7,906.32	\$ 6,507.69
Fee Revenue	\$ 752.00	\$ 179.50
Debt	\$ -0-	\$ 6,000.00
Capital	\$ 5,756.45	\$ 3,032.93
Total	\$ 14,414.77	\$ 15,720.12

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved the payment of claims above. It was noted that claims for the period ending May 27, 2020 are deferred until the next Board meeting.

Unaudited Financial Statements: Ms. Pangindian presented the unaudited financial statements for the period ending March 31, 2020, schedule of cash position for the period ending March 31, 2020, updated on May 27, 2020 and Developer Advances dated March 31, 2020, updated May 27, 2020.

Following review and discussion, upon motion duly made by Director Barbera, seconded by Director Klymkow and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending March 31, 2020, schedule of cash position for the period ending March 31, 2020, updated on May 27, 2020 and Developer Advances dated March 31, 2020, updated May 27, 2020.

Fifth Amendment to the Operation Funding Agreement (“OFA”) by and between the District and Choke Cherry Investors, LLC: The Board reviewed the Fifth Amendment to the OFA by and between the District and Choke Cherry Investors, LLC.

RECORD OF PROCEEDINGS

Following review, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board ratified approval of the Fifth Amendment to the OFA by and between the District and Choke Cherry Investors, LLC

2019 Audit: Ms. Pangindian presented to the Board the 2019 Audit.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Kubly and, upon vote, unanimously carried, the Board approved the 2019 Audit, subject to final legal review.

CAPITAL IMPROVEMENTS

Project Status Report: It was noted that public infrastructure is almost complete.

EXPENDITURE VERIFICATION/ COST CERTIFICATION

Expenditure Verification Report No. 11 prepared by Independent District Engineering Services, Inc. (“IDES”) Certifying District Eligible Expenditures: The Board deferred discussion of Expenditure Verification Report No. 11 prepared by IDES Certifying District Eligible Expenditures.

Pay Application No. 20 under the Hudick Excavating, Inc. (“HEI”) Contract: The Board reviewed Pay Application No. 20 under the HEI Contract.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board ratified acceptance of Pay Application No. 20 under the HEI Contract.

Pay Application Nos. 21 - 22 under the HEI Contract: The Board discussed Pay Application Nos. 21 - 22 under the HEI Contract.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board accepted Pay Application Nos. 21 - 22 under the HEI Contract.

Pay Application Nos. 23 - 26 under the HEI Contract: The Board discussed Pay Application Nos. 23 - 26 under the HEI Contract.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board accepted Pay Application Nos. 23 - 26 under the HEI Contract.

LEGAL MATTERS

There were no legal matters for discussion at this time.

RECORD OF PROCEEDINGS

**COVENANT
ENFORCEMENT/
DESIGN REVIEW**

Community Management: Ms. Ripko provided a brief update to the Board. She noted that the Architect Review Committee Members consist of Director Klymkow, Ms. Ripko, and a representative from all builders.

**Engagement of Covenant and Design Guideline Enforcement and Fee Collection
Legal Services:** Attorney Cortese discussed the engagement of counsel for covenant enforcement and fee collection matters. The Board directed Attorney Cortese to proceed with obtaining a formal engagement letter from Altitude Community Law P.C. for review and consideration of approval at the next meeting.

OTHER BUSINESS

There was no other business before the Board at this time.

ADJOURNMENT

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

Respectfully submitted,

By _____
Secretary for the Meeting

**Stone Creek Metropolitan District
Schedule of Accounts Payable
May**

<u>Date</u>	<u>Invoice No.</u>	<u>Vendor</u>	<u>Amount</u>			
			<u>General</u>	<u>Capital</u>	<u>Fee Revenue</u>	<u>Total</u>
			<i>Operation Funding Agreement</i>	<i>Facilities Acquisition Agreement</i>	<i>Funded from District Fees</i>	
04/30/20	2488266	CliftonLarsonAllen LLP - April	\$ 2,403.12	\$ -	\$ -	2,403.12
04/30/20	SCMD.00 Apr20	Special District Management Services, Inc. - April	1,204.18	-	211.50	1,415.68
04/30/20	1222C- Apr20	McGeady Beacher, PC - April	1,234.50	-	-	1,234.50
04/30/20	SWAP06.28	Storm Water Asset Protection, LLC - April	-	2,476.49	-	2,476.49
05/26/20	1	Mayberry Builders, LLC	-	3,700.00	-	3,700.00
To be ratified by the Board on 8/26/20			\$ 4,841.80	\$ 6,176.49	\$ 211.50	\$ 11,229.79

**Stone Creek Metropolitan District
Schedule of Accounts Payable
June**

<u>Date</u>	<u>Invoice No.</u>	<u>Vendor</u>	Amount			<u>Total</u>
			<u>General</u>	<u>Capital</u>	<u>Fee Revenue</u>	
			<i>Operation Funding Agreement</i>	<i>Facilities Acquisition Agreement</i>	<i>Funded from District Fees</i>	
05/31/20	2523803	CliftonLarsonAllen LLP - May	\$ 4,827.05	\$ -	\$ -	4,827.05
05/31/20	SCMD.00 May20	Special District Management Services, Inc. - May	1,500.59	-	76.00	1,576.59
05/31/20	1222C- May20	McGeady Beacher, PC - May	3,768.00	-	-	3,768.00
05/31/20	SWAP06.29	Storm Water Asset Protection, LLC - May	-	3,071.66	-	3,071.66
To be ratified by the Board on 8/26/20			\$ 10,095.64	\$ 3,071.66	\$ 76.00	\$ 13,243.30

**Stone Creek Metropolitan District
Schedule of Accounts Payable
July**

<u>Date</u>	<u>Invoice No.</u>	<u>Vendor</u>	Amount			
			<u>General</u>	<u>Capital</u>	<u>Fee Revenue</u>	<u>Total</u>
			<i>Operation Funding Agreement</i>	<i>Facilities Acquisition Agreement</i>	<i>Funded from District Fees</i>	
06/30/20	2553888	CliftonLarsonAllen LLP - June	\$ 1,450.87	\$ -	\$ -	1,450.87
06/30/20	SCMD.00 Jun20	Special District Management Services, Inc. - June	235.33	-	497.00	732.33
06/30/20	1222C- Jun20	McGeady Beacher, PC - June	1,730.00	-	-	1,730.00
06/30/20	SWAP06.30	Storm Water Asset Protection, LLC - June	-	2,260.41	-	2,260.41
06/30/20	519,851,955,194	Pinery Water & Wastewater District - June	-	-	810.13	810.13
To be ratified by the Board on 8/26/20			\$ 3,416.20	\$ 2,260.41	\$ 1,307.13	\$ 6,983.74

**Stone Creek Metropolitan District
Schedule of Accounts Payable
August**

<u>Date</u>	<u>Invoice No.</u>	<u>Vendor</u>	Amount			<u>Total</u>
			<u>General</u>	<u>Capital</u>	<u>Fee Revenue</u>	
			<i>Operation Funding Agreement</i>	<i>Facilities Acquisition Agreement</i>	<i>Funded from District Fees</i>	
07/31/20	2585745	CliftonLarsonAllen LLP - July	\$ 2,781.59	\$ -	\$ -	2,781.59
07/31/20	SCMD.00 Jul20	Special District Management Services, Inc. - July	2,121.96	-	1,085.00	3,206.96
07/31/20	1222C- Jul20	McGeady Beacher, PC - July	3,409.50	-	-	3,409.50
07/31/20	SWAP06.31	Storm Water Asset Protection, LLC - July	-	2,695.35	-	2,695.35
08/31/20	1673	Mayberry Builders, LLC	-	-	2,700.00	2,700.00
08/31/20	0926554-0178-1 Aug20	Waste Management - August	-	-	100.43	100.43
To be approved by the Board on 8/26/20			\$ 8,313.05	\$ 2,695.35	\$ 3,885.43	\$ 14,893.83

STONE CREEK METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2020

**STONE CREEK METROPOLITAN DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>General</u>	<u>Fee Revenue</u>	<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Total</u>
ASSETS					
Cash - Checking	\$ 18,360	\$ 51,471	\$ 210,168	\$ -	\$ 279,999
UMB - 2018A Project Fund	-	-	-	2	2
UMB - 2018B Subordinate Project Fund	-	-	-	207	207
UMB - 2018A Bond Fund	-	-	414,156	-	414,156
UMB - 2018A Reserve Fund	-	-	350,401	-	350,401
UMB - 2018A Surplus Fund	-	-	363,008	-	363,008
Due from other funds	10,938	-	-	-	10,938
Receivable from County Treasurer	15,745	-	78,731	-	94,476
TOTAL ASSETS	<u>\$ 45,043</u>	<u>\$ 51,471</u>	<u>\$ 1,416,464</u>	<u>\$ 209</u>	<u>\$ 1,513,187</u>
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
Accounts payable	\$ 17,850	\$ 1,383	\$ -	\$ 5,660	\$ 24,893
Due to other funds	-	-	-	10,938	10,938
Total Liabilities	<u>17,850</u>	<u>1,383</u>	<u>-</u>	<u>16,598</u>	<u>35,831</u>
FUND BALANCES					
Total Fund Balances	<u>27,193</u>	<u>50,088</u>	<u>1,416,464</u>	<u>(16,389)</u>	<u>1,477,356</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 45,043</u>	<u>\$ 51,471</u>	<u>\$ 1,416,464</u>	<u>\$ 209</u>	<u>\$ 1,513,187</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**STONE CREEK METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2020**

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 58,054	\$ 58,054	\$ -
Specific ownership taxes	5,225	2,260	(2,965)
Developer advance	68,521	19,348	(49,173)
TOTAL REVENUES	<u>131,800</u>	<u>79,662</u>	<u>(52,138)</u>
EXPENDITURES			
Audit	5,000	-	5,000
County Treasurer's fee	871	871	-
Dues	600	465	135
Insurance	6,000	4,801	1,199
Legal	50,000	11,675	38,325
Election	2,000	1,243	757
Contingency	7,529	-	7,529
Accounting	35,000	14,935	20,065
District management	22,000	6,534	15,466
Miscellaneous	1,000	28	972
TOTAL EXPENDITURES	<u>130,000</u>	<u>40,552</u>	<u>89,448</u>
NET CHANGE IN FUND BALANCES	1,800	39,110	37,310
FUND BALANCES - BEGINNING	<u>100</u>	<u>(11,917)</u>	<u>(12,017)</u>
FUND BALANCES - ENDING	<u>\$ 1,900</u>	<u>\$ 27,193</u>	<u>\$ 25,293</u>

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**STONE CREEK METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2020**

FEE REVENUE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
District fees	\$ 103,100	\$ -	\$ (103,100)
Administrative fee	7,200	-	(7,200)
TOTAL REVENUES	<u>110,300</u>	<u>-</u>	<u>(110,300)</u>
EXPENDITURES			
Operations and maintenance			
Legal	5,000	2,525	2,475
Fence maintenance	2,500	-	2,500
Social activities	6,000	-	6,000
Billing & collection	5,000	-	5,000
Grounds maintenance	-	3,700	(3,700)
Contingency monuments	10,325	-	10,325
Administrative expenses	2,500	-	2,500
Gas/electricity	5,000	-	5,000
Prairie dog mitigation	1,000	-	1,000
Shared amenity fee Snow removal	2,500 22,133	- -	2,500 22,133
Trash removal	15,000	-	15,000
Water	10,000	-	10,000
Community management	5,000	810	4,190
Cluster boxes	29,610	1,089	28,521
Lighting	1,500	-	1,500
	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Operations and maintenance	<u>124,068</u>	<u>8,124</u>	<u>115,944</u>
Clubhouse facility			
Total Clubhouse facility	-	-	-
TOTAL EXPENDITURES	<u>124,068</u>	<u>8,124</u>	<u>115,944</u>
NET CHANGE IN FUND BALANCES	(13,768)	(8,124)	5,644
FUND BALANCES - BEGINNING	<u>62,664</u>	<u>58,212</u>	<u>(4,452)</u>
FUND BALANCES - ENDING	<u>\$ 48,896</u>	<u>\$ 50,088</u>	<u>\$ 1,192</u>

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SUPPLEMENTARY INFORMATION

**STONE CREEK METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2020**

DEBT SERVICE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 290,290	\$ 290,291	\$ 1
Specific ownership taxes	26,125	11,302	(14,823)
Interest income	19,000	4,629	(14,371)
TOTAL REVENUES	<u>335,415</u>	<u>306,222</u>	<u>(29,193)</u>
EXPENDITURES			
County Treasurer's fee	4,354	4,354	-
Contingency	4,177	-	4,177
Paying agent fees	6,000	6,000	-
Bond interest	465,469	232,734	232,735
TOTAL EXPENDITURES	<u>480,000</u>	<u>243,088</u>	<u>236,912</u>
NET CHANGE IN FUND BALANCES	(144,585)	63,134	207,719
FUND BALANCES - BEGINNING	<u>1,357,497</u>	<u>1,353,330</u>	<u>(4,167)</u>
FUND BALANCES - ENDING	<u>\$ 1,212,912</u>	<u>\$ 1,416,464</u>	<u>\$ 203,552</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**STONE CREEK METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2020**

CAPITAL PROJECTS FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest income	\$ -	\$ 1	\$ 1
Developer advance	52,000	16,066	(35,934)
Developer advances - certified costs	5,200,000	-	(5,200,000)
TOTAL REVENUES	<u>5,252,000</u>	<u>16,067</u>	<u>(5,235,933)</u>
EXPENDITURES			
General and administration			
Legal	2,000	-	2,000
Construction Oversight / Administration	50,000	18,789	31,211
Capital outlay			
Capital outlay	<u>5,200,000</u>	<u>-</u>	<u>5,200,000</u>
TOTAL EXPENDITURES	<u>5,252,000</u>	<u>18,789</u>	<u>5,233,211</u>
NET CHANGE IN FUND BALANCES	-	(2,722)	(2,722)
FUND BALANCES - BEGINNING	<u>-</u>	<u>(13,667)</u>	<u>(13,667)</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ (16,389)</u>	<u>\$ (16,389)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**STONE CREEK METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized on December 15, 2014 to provide financing for the design, acquisition, construction, installation, relocation, operation and maintenance of essential public-purpose facilities such as water, sanitation, streets, safety protection, park and recreation, transportation, mosquito control, and covenant control. The District will serve the public improvement needs of Stone Creek Ranch which is generally located at Scott Road and State Highway 83 (Parker Road) in Douglas County, Colorado.

Under the Service Plan, the District will provide essential public improvements and services for a new residential community located entirely within Douglas County. The District may, with agreement by the County, engage in other activities. The property in the District is anticipated to be developed consistent with the terms, requirements, and provisions of a Development Agreement.

On November 4, 2014, the District's electorate authorized general obligation debt in the total amount of \$234,000,000. The District's Service Plan limits the amount of debt issuance to \$18,000,000. A maximum total mill levy of 60 mills as adjusted is authorized to support debt service and operations and maintenance. A maximum debt mill levy of 50 mills as adjusted is authorized to support debt service, subject to the limitation of the maximum total mill levy. The maximum operations and maintenance mill levy of 10 mills as adjusted is anticipated to initially support the District's operating costs.

The District anticipates to receive Developer advances to fund initial operating and administrative expenditures until other revenues are available to the District. Construction of certain public improvements within the boundaries of the District is expected to be financed by Developer advances until bonded debt is issued.

The District has no employees and all administrative functions are contracted.

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.

**STONE CREEK METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Under the Service Plan, the District is limited to the imposition of a mill levy in an amount not to exceed 60 mills, 10 mills for operations and maintenance and 50 mills for debt services; provided, however, that in the event the method of calculating assessed valuation is changed after the date of approval of the Service Plan, the mill levy limitation provided for the District will be automatically increased or decreased so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. On September 23, 2014, the date the Service Plan was approved, the ratio of actual valuation to assessed valuation for residential property was 7.96%, and currently the ratio is at 7.15%. Due to this ratio change, the District's debt service mill levy was increased to 55.664 mills and the general mill levy was increased to 11.132 mills.

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 9% 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 1.5%.

District Fees

To pay for costs associated with operating and maintaining District improvements, and to meet the costs of providing essential services, the District has determined that it is necessary to impose District Fees in the form of an Operation and Maintenance Fee (O&M Fee) and Administrative Fee on each lot and/or single family residential dwelling unit. The amount of District Fee is anticipated to be (i) based upon the completion of two neighborhood parks and the clubhouse facility, (ii) charged monthly, and (iii) payable quarterly.

**STONE CREEK METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Developer Advances

The District is in the development stage. As such, a significant portion of the District's capital, operating, and administrative expenditures will 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 (if applicable) and other legally available revenues.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

General, Administrative, Operations and Maintenance

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses. The Fee Revenue Fund budget also include budgeted expenditures for the operations and maintenance of the grounds within the District (e.g. utilities, snow removal, repairs, trash, etc.)

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects und.

Debt and Leases

The District issued the General Obligation Limited Tax Bonds Series 2018A ("Senior Bonds") and the Subordinate General Obligation Limited Tax Bonds Series 2018B ("Subordinate Bonds") (collectively, the "Bonds") on March 6, 2018, in the amounts of \$8,275,000 and \$1,195,000, respectively. Proceeds from the sale of the Bonds were used to: (i) fund and reimburse a portion of the costs of acquiring, constructing, and installing certain public improvements and paying other costs in connection with the Bonds, and (ii) with respect to proceeds of the Senior Bonds only: (a) fund the Senior Reserve Fund; (b) fund capitalized interest on the Senior Bonds; and, (c) make a deposit to the Surplus Fund.

The Senior Bonds bear interest at 5.625% and are payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2022. The Senior Bonds mature on December 1, 2047.

**STONE CREEK METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The Subordinate Bonds were issued at the rate of 7.875% per annum and are payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2047. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. All of the Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2057 (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date.

The Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund and in the Surplus Fund. The Senior Reserve Fund was funded from Senior Bond proceeds in the amount of \$350,000. The Surplus Fund was funded from an initial deposit of \$350,000 from Senior Bonds proceeds and from available Senior Pledged Revenue, if any, in accordance with the Senior Indenture up to the Maximum Surplus Amount of \$1,241,250.

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2020, as defined under TABOR.

**STONE CREEK METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$8,275,000 General Obligation Bonds Limited Tax Series 2018A Interest Rate of 5.625% Payable December 1 Principal Due December 1		
	Principal	Interest	Total
2020	\$ -	\$ 465,469	\$ 465,469
2021	-	465,469	465,469
2022	10,000	465,469	475,469
2023	95,000	464,906	559,906
2024	110,000	459,563	569,563
2025	115,000	453,375	568,375
2026	135,000	446,906	581,906
2027	140,000	439,313	579,313
2028	160,000	431,438	591,438
2029	170,000	422,438	592,438
2030	195,000	412,875	607,875
2031	205,000	401,906	606,906
2032	225,000	390,375	615,375
2033	240,000	377,719	617,719
2034	265,000	364,219	629,219
2035	280,000	349,313	629,313
2036	310,000	333,563	643,563
2037	325,000	316,125	641,125
2038	360,000	297,844	657,844
2039	380,000	277,594	657,594
2040	410,000	256,219	666,219
2041	435,000	233,156	668,156
2042	475,000	208,688	683,688
2043	500,000	181,969	681,969
2044	540,000	153,844	693,844
2045	570,000	123,469	693,469
2046	620,000	91,406	711,406
2047	1,005,000	56,531	1,061,531
	\$ 8,275,000	\$ 9,341,161	\$ 17,616,161

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

STONE CREEK METROPOLITAN DISTRICT
SCHEDULE OF CASH POSITION
June 30, 2020
Updated as of August 20, 2020

	<u>General Fund</u>	<u>Fee Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>First Bank Checking</u>					
Balance as of 06/30/20	\$ 18,359.79	\$ 51,471.24	\$ 210,167.85	\$ -	\$ 279,998.88
Subsequent activities:					
07/06/20 - Reissue CLA check	(4,338.35)	-	-	-	(4,338.35)
07/06/20 - Checks #1133 - 1138	(10,095.64)	(76.00)	-	(3,071.66)	(13,243.30)
07/06/20 - Due to/from	(3,071.66)	-	-	3,071.66	-
07/10/20 - Ptax deposit - June	15,744.98	-	78,730.54	-	94,475.52
07/31/20 - O&M/admin fee deposits	-	4,372.98	-	-	4,372.98
07/31/20 - EFT, Pinery Water	-	(210.52)	-	-	(210.52)
08/03/20 - Checks #1139 - 1142	(3,416.20)	(497.00)	-	(2,260.41)	(6,173.61)
08/03/20 - Due to/from	(2,260.41)	-	-	2,260.41	-
08/07/20 - O&M/admin fee deposits	-	957.63	-	-	957.63
08/10/20 - Ptax deposit - July	499.52	-	2,497.59	-	2,997.11
Anticipated EFT, Pinery Water	-	(599.61)	-	-	(599.61)
Anticipated reissuance of IDES check	-	-	-	(327.50)	(327.50)
Anticipated vouchers payable	(8,313.05)	(3,885.43)	-	(2,695.35)	(14,893.83)
Anticipated due to/from	(3,022.85)	-	-	3,022.85	-
Anticipated transfer to 2018A Bond Fund	-	-	(291,395.98)	-	(291,395.98)
<i>Anticipated Balance</i>	\$ 86.13	\$ 51,533.29	\$ -	\$ -	\$ 51,619.42
<u>UMB - 2018A Bond Fund</u>					
Balance as of 06/30/20	\$ -	\$ -	\$ 414,156.46	\$ -	\$ 414,156.46
Subsequent activities:					
07/31/20 - Interest Income	-	-	65.28	-	65.28
Anticipated transfer from checking	-	-	291,395.98	-	291,395.98
Anticipated transfer from 2018A Project Fund	-	-	1.57	-	1.57
<i>Anticipated Balance</i>	\$ -	\$ -	\$ 705,619.29	\$ -	\$ 705,619.29
<u>UMB - 2018B Subordinate Bond Fund</u>					
Balance as of 06/30/20	\$ -	\$ -	\$ -	\$ -	\$ -
Subsequent activities:					
Anticipated transfer from 2018B Project Fund	-	-	207.36	-	207.36
<i>Anticipated Balance</i>	\$ -	\$ -	\$ 207.36	\$ -	\$ 207.36
<u>UMB - 2018A Reserve Fund</u>					
Balance as of 06/30/20	\$ -	\$ -	\$ 350,400.93	\$ -	\$ 350,400.93
Subsequent activities:					
07/31/20 - Interest Income	-	-	55.24	-	55.24
<i>Anticipated Balance</i>	\$ -	\$ -	\$ 350,456.17	\$ -	\$ 350,456.17
<u>UMB - 2018A Surplus Fund</u>					
Balance as of 06/30/20	\$ -	\$ -	\$ 363,007.90	\$ -	\$ 363,007.90
Subsequent activities:					
07/31/20 - Interest Income	-	-	57.22	-	57.22
<i>Anticipated Balance</i>	\$ -	\$ -	\$ 363,065.12	\$ -	\$ 363,065.12
<u>UMB - 2018A Project Fund</u>					
Balance as of 06/30/20	\$ -	\$ -	\$ -	\$ 1.57	\$ 1.57
Subsequent activities:					
Anticipated transfer to 2018A Bond Fund	-	-	-	(1.57)	(1.57)
<i>Anticipated Balance</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<u>UMB - 2018B Subordinate Project Fund</u>					
Balance as of 06/30/20	\$ -	\$ -	\$ -	\$ 207.36	\$ 207.36
Subsequent activities:					
Anticipated transfer to 2018B Bond Fund	-	-	-	(207.36)	(207.36)
<i>Anticipated Balance</i>	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 86.13	\$ 51,533.29	\$ 1,419,347.94	\$ -	\$ 1,470,967.36

STONE CREEK METROPOLITAN DISTRICT
Property Taxes Reconciliation
2020

	Current Year							Prior Year				
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ -	\$ -	\$ 2,897.64	\$ -	\$ -	\$ -	\$ 2,897.64	0.00%	0.00%	\$ 30.15	0.00%	0.00%
February	22.05	-	2,060.14	-	(0.33)	-	2,081.86	0.01%	0.01%	50.85	0.57%	0.57%
March	-	-	2,005.23	-	-	-	2,005.23	0.00%	0.01%	25.11	0.00%	0.57%
April	161,833.05	-	1,886.41	-	(2,427.49)	-	161,291.97	46.46%	46.46%	320.06	7.55%	8.12%
May	93,244.79	-	2,083.96	-	(1,398.67)	-	93,930.08	26.77%	73.23%	30.99	0.00%	8.12%
June	93,244.79	-	2,629.40	-	(1,398.67)	-	94,475.52	26.77%	100.00%	3,589.60	91.89%	100.01%
July	-	-	2,997.11	-	-	-	2,997.11	0.00%	100.00%	39.18	0.00%	100.01%
August	-	-	-	-	-	-	-	0.00%	100.00%	32.95	0.00%	100.01%
September	-	-	-	-	-	-	-	0.00%	100.00%	33.56	0.00%	100.01%
October	-	-	-	-	-	-	-	0.00%	100.00%	38.00	0.00%	100.01%
November	-	-	-	-	-	-	-	0.00%	100.00%	30.58	0.00%	100.01%
December	-	-	-	-	-	-	-	0.00%	100.00%	35.07	0.00%	100.01%
	\$ 348,344.68	\$ -	\$ 16,559.89	\$ -	\$ (5,225.16)	\$ -	\$ 359,679.41	100.00%	100.00%	\$ 4,256.10	100.01%	100.01%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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<u>Property Tax</u>	<u>Assessed Valuation</u>	<u>Mills</u>				
General Fund	5,215,040	11.132	58,054.00	16.67%	\$ 58,054.11	100.00%
Debt Service Fund	5,215,040	55.664	290,290.00	83.33%	290,290.57	100.00%
			348,344.00	100.00%	348,344.68	100.00%

<u>Specific Ownership Tax</u>						
General Fund			5,225.00	16.67%	\$ 2,759.98	52.82%
Debt Service Fund			26,125.00	83.33%	13,799.91	52.82%
			31,350.00	100.00%	16,559.89	52.82%

<u>Treasurer's Fees</u>						
General Fund			871.00	16.67%	\$ 871.03	100.00%
Debt Service Fund			4,354.00	83.33%	4,354.13	100.00%
			5,225.00	100.00%	5,225.16	100.00%

Developer Advances	as of 12/31/19			as of 08/26/20		
	Principal	Accrued Interest		Principal	Accrued Interest	
		(8%)	Total		(8%)	Total
Operations	\$ 285,042.87	\$ 29,114.24	\$ 314,157.11	\$ 304,390.53	\$ 45,186.35	\$ 349,576.88
Capital	\$ 120,923.82	\$ 9,891.07	\$ 130,814.89	\$ 136,989.99	\$ 17,076.60	\$ 154,066.59
Costs Certification (thru#5) and Expenditure Verification (thru#10)	\$ 8,829,208.34	\$ 744,536.75	\$ 9,573,745.09	\$ 8,829,208.34	\$ 1,213,465.82	\$ 10,042,674.16
	\$ 9,235,175.03	\$ 783,542.06	\$ 10,018,717.09	\$ 9,270,588.86	\$ 1,275,728.77	\$ 10,546,317.63

STONE CREEK METROPOLITAN DISTRICT
DISCLOSURE TO PURCHASERS

This Disclosure to Purchasers has been prepared by Stone Creek Metropolitan District (the “**District**”) to provide prospective property owners with general information regarding the District and its operations. This Disclosure to Purchasers is intended to provide an overview of pertinent information related to the District and does not purport to be comprehensive or definitive. You are encouraged to independently confirm the accuracy and completeness of all statements contained herein.

DISTRICT’S POWERS

The powers of the District as authorized by Section 32-1-1004, C.R.S. and under its Service Plan, as approved by the Board of County Commissioners of Douglas County, Colorado (the “**County**”) on September 23, 2014 (the “**Service Plan**”), are to plan for, design, finance, acquire, construct, install, relocate, and/or redevelop certain public improvements, including, but not limited to, street improvements, safety controls, water improvements, sanitation improvements, stormwater improvements, park and recreation improvements, mosquito control, and covenant enforcement and design review services to the District.

DISTRICT’S SERVICE PLAN

The District’s Service Plan, which can be amended from time to time, includes a description of the District’s powers and authority. A copy of the District’s Service Plan is available from the Division of Local Government in the State Department of Local Affairs (the “**Division**”).

The District is authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution (“**TABOR**”), include issuing debt, levying taxes, and imposing fees and charges. Information concerning District directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), C.R.S., which can be found at the office of General Counsel for the District, on file at the Division, or on file at the office of the Clerk and Recorder of Douglas County.

DEBT AND DEBT AUTHORIZATION

Pursuant to its Service Plan, the District has authority to issue up to Eighteen Million Dollars (\$18,000,000) of debt to provide and pay for public infrastructure improvement costs. Any debt issued by the District will be repaid through ad valorem property taxes, from a District imposed debt service mill levy on all taxable property of the District, together with any other legally available revenues of the District.

On March 6, 2018, the District issued its \$8,275,000 General Obligation Limited Tax Bonds, Series 2018A (the “**2018A Bonds**”) and its \$1,195,000 Subordinate General Obligation Limited Tax Bonds, Series 2018B (the “**2018B Bonds**”). The 2018A Bonds mature on December 1, 2047, and are subject to 5.625% interest, payable on June 1 and December 1 of each year,

commencing June 1, 2018, until the 2018A Bonds are paid. Principal payments on the 2018A Bonds are due on December 1 of each year, commencing December 1, 2022, until the 2018A Bonds are paid. The 2018B Bonds mature on December 15, 2047, and are subject to 7.875% interest, payable on December 15 of each year, commencing December 15, 2018, until the 2018B Bonds are paid. The 2018B Bonds are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal thereof prior to the final maturity date. The District covenanted to levy an ad valorem mill levy upon all taxable property in the District in an amount not to exceed 55.277 mills (as adjusted per the Gallagher Adjustment, described below) to pay the 2018A Bonds and 2018B Bonds

TAXES AND FEES IMPOSED ON PROPERTIES WITHIN THE DISTRICT

Ad Valorem Property Taxes

The District’s primary source of revenue is from property taxes imposed on property within the District. Along with other taxing entities, the District certifies a mill levy by December 15th of each year which determines the taxes paid by each property owner in the following year. The District imposed a total combined Mill Levy of 66.332 for tax collection year 2019 (as described below). The total overlapping mill levy for the property within the District for tax collection year 2019 is 153.876 mills (inclusive of the District’s Mill Levy), as described in the “Overlapping Mill Levy” section below.

The various mill levies described in this Disclosure to Purchasers are examples only and were the mill levies certified in 2018, for collection in 2019. The mill levies certified for collection in future years may change.

Debt Service Mill Levy

The maximum debt service mill levy the District is permitted to impose under the Service Plan (“**Debt Mill Levy Cap**”) upon the taxable property of the District for payment of debt is fifty (50) mills. The Debt Mill Levy Cap may be adjusted due to changes in the statutory or constitutional method of assessing property tax or in the assessment ratio (the “**Gallagher Adjustment**”). The purpose of the Gallagher Adjustment is to assure, to the extent possible, that the actual tax revenues generated by the mill levy are neither decreased nor increased, as shown in the example below. The State Legislature adjusted the residential assessment ratio for 2017, for collection in 2018, from 7.96% to 7.2%. Therefore, for collection year 2018, the District adjusted the Debt Mill Levy Cap from 50.000 mills to 55.277 mills. For tax collection year 2019, the District again certified a Debt Service Mill Levy of 55.277 mills.

THE FOLLOWING EXAMPLE IS PROVIDED SOLELY FOR THE PURPOSE OF ILLUSTRATION AND IS NOT TO BE INTERPRETED AS A REPRESENTATION OF ANY ACTUAL CURRENT OR FUTURE VALUE INCLUDING, BUT NOT LIMITED TO, ANY ACTUAL VALUE, ASSESSMENT RATIO, OR MILL LEVY.

***District Property Tax (Debt Service Mill Levy ONLY) Calculation Example-
Reduction in Residential Assessment Ratio***

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R = AV]	Mill Levy ¹ /Rate ² (M)	Amount of District Tax Due [AV x M]
(a) 2017	\$500,000	7.96%	\$39,800	50.000/0.05000	\$1,990
(b) 2018-2019	\$500,000	7.20%	\$36,000	55.277/0.055277	\$1,990
(c) 2020	\$500,000	6.9%	\$34,500	57.681/.057681	\$1,990

¹ Based on a projected mill levy, not a representation of any actual current or future mill levy

² Each mill is equal to 1/1000th of a dollar

(a) If in 2017 the Actual Value of the Property was \$500,000, and the Residential Assessment Ratio established by the State Legislature for that year was 7.96%, the Assessed Value of the Property was \$39,800 (i.e., \$500,000 x 7.96% = \$39,800). Therefore, the District's certified debt service of 50.000 mills generated approximately \$1,990 in revenue for the District.

(b) If in 2018 the Actual Value of the Property remains at \$500,000, based upon the State Legislature's determination to change the Residential Assessment Ratio for 2017 (for collection in 2018) to 7.2%, the Assessed Value would be \$36,000 (i.e., \$500,000 x 7.2% = \$36,000). Therefore, the District needs to certify a debt service mill levy of 55.277 mills in order to generate the same revenue in 2018 that it received from the 2017 debt service mill levy.

(c) If in 2020, the Actual Value of the Property remains at \$500,000, *but if the State Legislature should determine to change the Residential Assessment Ratio for that year to 6.9%*, the Assessed Value would be \$34,500 (i.e., \$500,000 x 6.9% = \$34,500). Therefore, the District would need to certify a 57.681 debt service mill levy in order to generate the same revenue in 2020 that it received from the 2017 debt service mill levy.

Operations and Maintenance Mill Levy

In addition to imposing a debt service mill levy, the District is also authorized by the Service Plan to impose a separate mill levy to generate revenues for the provision of administrative, operations and maintenance services. The maximum operations and maintenance mill levy the District is permitted to impose under the Service Plan ("**O&M Mill Levy Cap**") upon the taxable property of the District is ten (10) mills. The O&M Mill Levy Cap is also subject to the Gallagher Adjustment. The purpose of such adjustment is to assure, to the extent possible, that the actual tax revenues generated by the mill levy are neither decreased nor increased, as described above.

The District operates in place of an owners' association to provide covenant enforcement and design review services, as well as providing for the operation and maintenance of the park and

recreation improvements within the District (including, without limitation, the landscaping of certain street improvements and the operations and maintenance of Clubhouse and Pool Facilities, described below), with the imposition of the operations and maintenance mill levy. For tax collection year 2019, the District adjusted the O&M Mill Levy Cap from 10.000 mills to 11.055 mills per the Gallagher Adjustment.

District Property Tax (Operations and Maintenance Mill Levy Only) Calculation Example

Tax Collection Year	Actual Value (V)	Assessment Ratio ®	Assessed Value (AV) [V x R = AV]	Mill Levy ¹ /Rate ² (M)	Amount of District Tax Due [AV x M]
(a) 2017	\$500,000	7.96%	\$39,800	10.000/0.010000	\$398.00
(b) 2019	\$500,000	7.2%	\$36,000	11.055/0.011055	\$398.00
(c) 2020	\$500,000	6.9%	\$34,500	11.536/.011536	\$398.00

¹ Based on a projected mill levy, not a representation of any actual current or future mill levy

² Each mill is equal to 1/1000th of a dollar

There are several benefits to the use of a metropolitan district as opposed to, or in cooperation with, an owners’ association, including, but not limited to the following:

(a) Cost Efficiency. Metropolitan districts fund their operations from revenues generated from real property taxes while homeowner’s associations assess dues and collect them from property owners. A metropolitan district can, therefore, operate more efficiently than an owners’ association as the collection of taxes is significantly more effective than separately billing individual homeowners, and dealing with the collection efforts.

(a) Homeowner Savings. Out of pocket expenses for the homeowner are generally significantly less when paid through ad valorem tax as opposed to owners’ association dues.

(b) Transparency. A metropolitan district is subject to various regulatory requirements that an owners’ association is not, such as annual reporting of budgets and audited financials; annual audits, or audit exemptions, are required, not just recommended as with an owners’ association.

Overlapping Mill Levies

In addition to the District's imposed mill levies for debt and operations as described above, the property located within the District is also subject to additional "overlapping" mill levies from additional taxing authorities. The overlapping mill levy for tax collection year 2019, for the property within the District, inclusive of the District's imposed mill levies, is 153.876. Mill levies are certified in December of each year, and generally published by the County by the end of the first quarter. The breakdown of the overlapping mill levy for tax collection year 2019 is as follows:

Taxing Authority	Levy
Cherry Creek Basin Water Quality Authority	0.479
Denver Southeast Suburban Water and Sanitation District (d/b/a Pinery Water and Wastewater District)	0.000
Douglas County	19.774
Douglas County Law Enforcement	4.500
Douglas County Public Library District	4.008
Douglas County School District RE-1	36.896
Douglas County Schools – Debt Service	8.054
Douglas County Soil Conservation District	0.000
Franktown Fire Protection District	13.013
Regional Transportation District	0.000
Urban Drainage and Flood Control District	0.726
Urban Drainage and Flood Control District-South Platte	0.094
Douglas County Schools – Cap Reserve	0.000
Douglas County Schools – Insurance Reserve	0.000
Regional Transportation District	0.000
Denver SE Suburban Water & Sanitation District	0.000
Douglas County Soil Conservation District	0.000
OVERLAPPING MILL LEVY (2019)	87.544
Stone Creek Metropolitan District (2019)	66.332
TOTAL WITH DISTRICT MILL LEVY (2019)	153.876

Overlapping Mill Levy Property Tax Calculation Example-2019

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R = AV]	Mill Levy¹/Rate² (M)	Amount of Total Property Tax Due [AV x M]
(a) 2019	\$500,000	7.2%	\$36,000	153.876/.153876	\$5,540.00

¹ Based on a projected mill levy, not a representation of any actual current or future mill levy

² Each mill is equal to 1/1000th of a dollar

THE ABOVE EXAMPLE IS PROVIDED SOLELY FOR THE PURPOSE OF ILLUSTRATION AND IS NOT TO BE INTERPRETED AS A REPRESENTATION OF ANY ACTUAL CURRENT OR FUTURE VALUE INCLUDING, BUT NOT LIMITED TO, ANY ACTUAL VALUE, ASSESSMENT RATIO, OR MILL LEVY.

Fees

In addition to property taxes, the District may also rely upon various other revenue sources authorized by law to offset the expenses of capital construction and district management, operations and maintenance. Pursuant to its Service Plan, the District has the power to assess fees, rates, tolls, penalties, or charges as provided in Title 32 of the Colorado Revised Statutes, as amended.

The District incurs certain direct and indirect costs (the “**Service Costs**”) associated with the District’s provision of operation and maintenance services for park and recreation type amenities benefiting property and inhabitants within the District (the “**Facilities**”). In order that the Facilities be properly maintained, and that the health, safety, and welfare of the District and its inhabitants may be safeguarded, the District established an Operations and Maintenance Fee (“**O&M Fee**”) for each lot and/or single-family residential dwelling unit located within the District’s boundaries (each a “**Residential Unit**”) to be paid quarterly, to provide a source of funding to pay for the provision of the Service Costs which are generally attributable to each Residential Unit and are currently imposed as follows:

- (1) Upon sale of a vacant lot to a homebuilder, as follows:
 - (a) From the date of sale of a vacant lot and through February 27, 2019, in the amount of \$20 per month per vacant lot, payable quarterly (\$60 per quarter; \$240 per year);
 - (b) Upon substantial completion of two neighborhood parks, as determined by the District Engineer, \$40 per month per lot, payable quarterly (\$120 per quarter; \$480 per year); and
 - (c) Upon substantial completion of two neighborhood parks, the clubhouse, the fitness center, and the swimming pool, as determined by the District Engineer, \$60 per month per lot, payable quarterly (\$180 per quarter; \$720 per year).
- (2) Upon the sale of a lot to an owner other than a homebuilder constructing the initial Residential Unit:
 - (a) \$70 per month per lot, payable quarterly (\$210 per quarter; \$840 per year).

In addition to the O&M Fee, the District established an “**Administrative Fee**”, to be paid by each buyer of a single family residential dwelling unit (“**Residential Unit**”) (other than the homebuilder constructing the initial Residential Unit), to offset administrative costs associated with the establishment, maintenance, and transfer of the accounts necessary to properly account for and administer the O&M Fee and the District’s affairs currently imposed as follows:

- (1) The Administrative Fee shall be \$100 per initial sale of a Residential Unit from a homebuilder to an owner;
- (2) The Administrative Fee shall be \$100 per sale of a Residential Unit from one owner to another owner;

- (3) The Administrative Fee shall be due and payable at the time of any sale, transfer, or re-sale of any Residential Unit constructed on a lot with a certificate of occupancy.

The O&M Fee and the Administrative Fee are set by, and can be amended by, Resolution (a “**Fee Resolution**”) of the District Board of Directors from time to time and shall constitute a statutory and perpetual lien pursuant to Section 32-1-1001(1)(j), C.R.S., from the date same becomes due and payable until paid. The Fee Resolution, and any amendments thereto, are recorded in the real property records of Douglas County, Colorado.

CLUBHOUSE AND POOL FACILITIES

The public improvements that the District will plan for, design, finance, acquire, construct, install, relocate, and/or redevelop include, without limitation, a public clubhouse and pool (“**Clubhouse and Pool Facilities**”). The District anticipates that other projects in the area, including, without limitation, Cielo Metropolitan District, will contribute to the costs associated with the operations and maintenance of the Clubhouse and Pool Facilities by entering into an intergovernmental cost-sharing agreement with the District. The Clubhouse and Pool Facilities are available to the general public in accordance with rules and regulations for the District and upon payment of an annual fee to be set by the District Board of Directors. As of the date of this Disclosure to Purchasers, the District is in the process of finalizing rules and regulations for the Clubhouse and Pool Facilities. Upon adoption by the District Board of Directors, a copy of the Clubhouse and Pool Facilities rules and regulations can be obtained from the District Manager (see contact information below).

DISTRICT BOUNDARIES

This Disclosure shall apply to the property within the boundaries of the District, which property is described on **Exhibit A and Exhibit B**, both of which are attached hereto and incorporated herein by this reference.

CONTACT INFORMATION

For any questions regarding the District or this Disclosure to Purchasers, please contact:

District Manager:
Special District Management Services, Inc.
Attn: Lisa A. Johnson
141 Union Blvd. #150
Lakewood, CO 80228
Telephone: 303-987-0835

DISTRICT WEBSITE INFORMATION

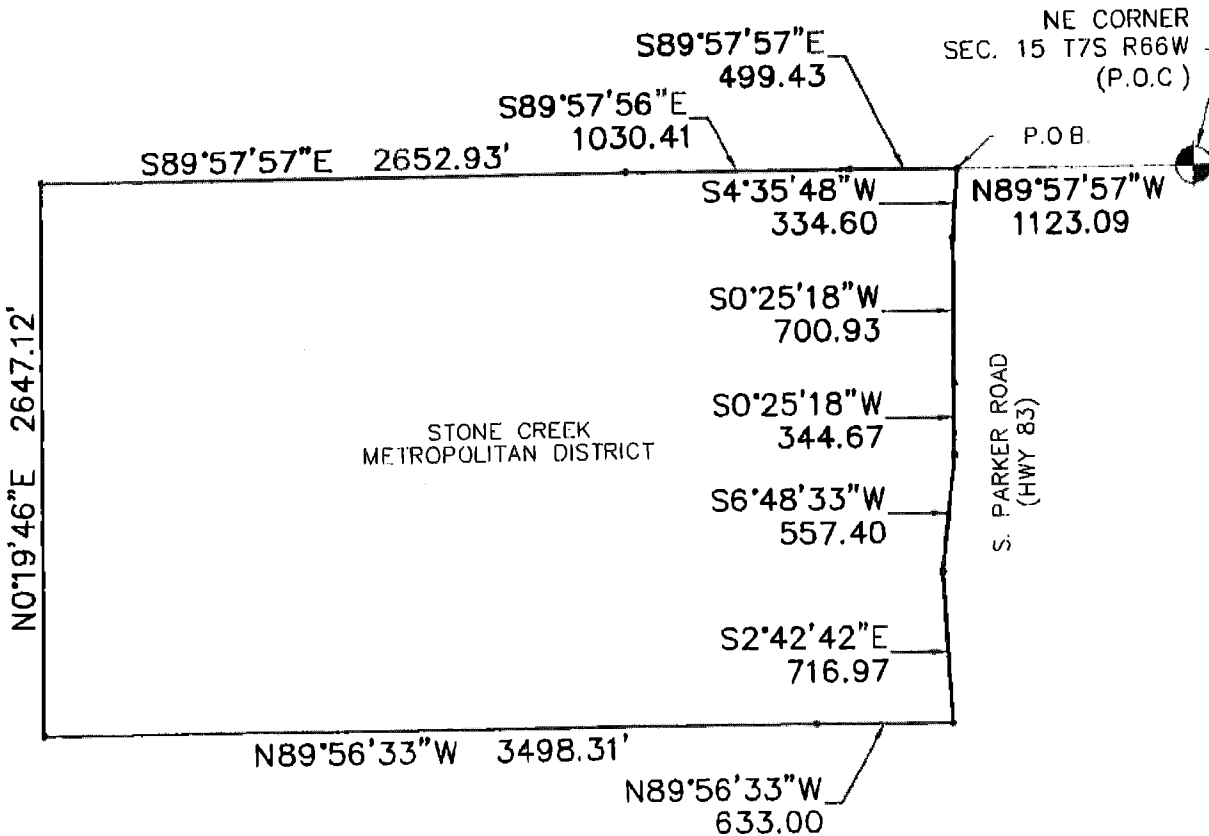
www.colorado.gov/pacific/stonecreekmd

Dated this 6th day of March, 2019.

EXHIBIT A

District Map

A PARCEL OF LAND LOCATED IN THE NORTH HALF
 OF SECTION 15, TOWNSHIP 7 SOUTH, RANGE 66
 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY
 OF DOUGLAS, STATE OF COLORADO



NE CORNER
 SEC. 15 T7S R66W
 (P.O.C.)

P.O.B.

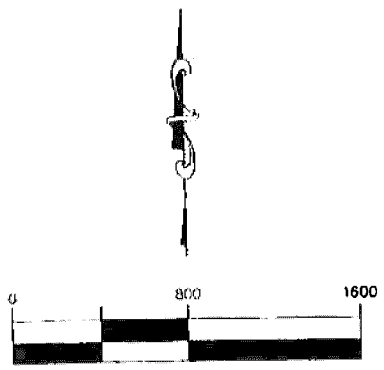
S. PARKER ROAD
 (HWY 83)

STONE CREEK
 METROPOLITAN DISTRICT

DATE: 11/06/13



200 W. HAMPDEN AVE., SUITE 200
 ENGLEWOOD, COLORADO 80110
 PH: 720.856.3869
 FAX: 720.528.8167
 CONTACT: JEFF FRENCH



(IN FEET)
 1 inch = 800 ft

NOTE: THIS EXHIBIT DOES NOT
 REPRESENT A MONUMENTED LAND
 SURVEY. IT IS INTENDED ONLY TO
 DEPICT THE LEGAL DESCRIPTION
 ON EXHIBIT "A"

EXHIBIT B

Legal Description

Lots 1 through 329, inclusive,
Stone Creek Ranch Filing No. 1,
Douglas County, Colorado.

-AND-

Tracts A through Y, inclusive,
Stone Creek Ranch Filing No. 1,
Douglas County, Colorado.

SERVICE AGREEMENT FOR TRASH REMOVAL SERVICES

THIS SERVICE AGREEMENT FOR TRASH REMOVAL SERVICES (“**Agreement**”) is entered into and effective as of the 2nd day of July, 2020, by and between **STONE CREEK METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **WASTE MANAGEMENT OF COLORADO, INC.**, a corporation (the “**Consultant**”) (each a “**Party**” and, collectively, the “**Parties**”).

RECITALS

A. The District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements in accordance with its service plan.

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District.

C. The Consultant has experience in providing the services, as set forth in **Exhibit A** hereto, attached and incorporated herein (the “**Services**”), and is willing to provide such Services to the District for reasonable consideration.

D. The Parties desire to enter into this Agreement to establish the terms by which the Consultant will provide the Services to the District.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

I. CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional consultant in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Consultant does hereby warrant that the quality of the Services shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District's consultants to assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Consultant shall be obligations of the Consultant and the Consultant shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Consultant shall have no right or authority, expressed or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Consultant shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Consultant is an independent contractor, as provided in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Consultant or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Consultant shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Consultant for the Services performed as provided herein. The District shall not be responsible for the Consultant's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Consultant is not entitled to workers' compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Consultant shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Consultant shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Certification of Compliance with Illegal Alien Statute. By its execution hereof, the Consultant confirms and ratifies all of the certifications, statements, representations and warranties set forth in **Exhibit B** attached hereto and made a part hereof by this reference.

1.6 Work Product. "**Work Product**" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain

reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.6, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.6. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

II. COMPENSATION

2.1 Compensation. The Consultant shall be paid as set forth in **Exhibit A** attached hereto, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as **Exhibit C** ("Change Order").

2.2 Monthly Invoices and Payments. The Consultant shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Consultant is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in **Exhibit B**, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation; District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on the date set forth above, and shall expire on 12/31/2020. The Agreement shall automatically renew for additional terms of twelve (12) months each.

3.2 Termination. The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least thirty (30) days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least thirty (30) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

The District shall pay the Consultant for all Services satisfactorily performed through the termination date.

IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Consultant hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the “**Indemnitees**”), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys’ fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Consultant and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Consultant shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least “A:XIII” by A.M. Best Company. The Consultant shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Consultant shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Consultant’s cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Consultant. The Consultant shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Consultant shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers’ Compensation Insurance required below, the Consultant must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Consultant provides the certificates evidencing such insurance and Workers’ Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers’ Compensation Insurance. A Workers’ Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer’s Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers’ Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the

insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Consultant from any obligations, responsibilities or liabilities under this Agreement.

V. MISCELLANEOUS

5.1 Assignment. The Consultant shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and of no effect.

5.2 Modification; Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the District or the Consultant unless the same is in writing and duly executed by the Parties.

5.3 Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

5.4 Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

5.5 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the County of Adams, Colorado.

5.6 Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

5.7 Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the Consultant any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the Consultant shall be for the sole and exclusive benefit of the District and the Consultant.

5.8 Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via FedEx or other nationally recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District:

Stone Creek Metropolitan District
141 Union Blvd., Suite 150
Lakewood, CO 80228
Phone: 303-987-0835
Email: pripko@sdmsi.com
Attn: Peggy Ripko

With a Copy To: McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203
Phone: (303) 592-4380
Email: ecortese@specialdistrictlaw.com
Attn: Elisabeth Cortese

To Consultant: Waste Management of Colorado, Inc.
5500 South Quebec Street, Suite 250
Greenwood Village, CO 80111
Phone: 303-486-6062
Email: mmaher1@wm.com
Attn: Mike Maher

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with FedEx or other nationally recognized overnight air courier service, upon electronic confirmation of email transmission, or three (3) business days after deposit in the United States mail. By giving the other Party hereto at least ten (10) days' written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default; provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and regulations of the jurisdiction in which the Agreement is performed. The Consultant declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver

of any default hereunder be deemed to be a waiver of any subsequent default hereunder. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

5.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SERVICE AGREEMENT]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

Consultant:

WASTE MANAGEMENT OF COLORADO, INC.

By:

Mike Maber, Mike Maber
Waste Management HOA Manager

Its:

STATE OF COLORADO)

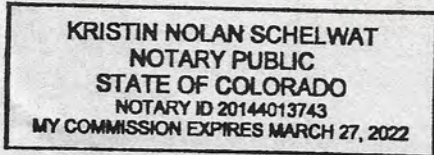
COUNTY OF [ARAPAHOE])

) ss.

The foregoing instrument was acknowledged before me this [20th] day of [AUGUST], 20[20], by [MIKE MABER] as [MANAGER] of [WASTE MANAGEMENT OF COLORADO INC.]

Witness my hand and official seal.

My commission expires: 3-27-22



Kristin Schelwat
Notary Public

District:

STONE CREEK METROPOLITAN DISTRICT

By:

Patrick Lyng
President

STATE OF COLORADO)

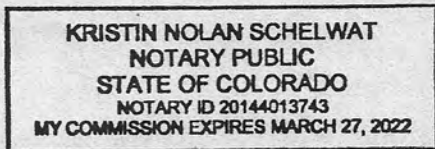
COUNTY OF [ARAPAHOE])

) ss.

The foregoing instrument was acknowledged before me this [20th] day of [AUGUST], 20[20], by [PATRICK LYNG] as [PRESIDENT] of [STONE CREEK] Metropolitan District.

Witness my hand and official seal.

My commission expires: 3-27-22



Kristin Schelwat
Notary Public

EXHIBIT A
SCOPE OF SERVICES/COMPENSATION



HOMEOWNER'S ASSOCIATION SERVICE AGREEMENT

Waste Management of Colorado, Inc.
 5500 Quebec St. Ste. 250
 Greenwood, Village, CO 80111
 (303)-797-1600

WM Agreement #: TBD
Customer ID: TBD
Acct Name: Stone Creek Metro District
Account Manager: Mike Maher
Effective Date: 07/01/2020
Type of Billing: Group

Service Information

HOA Name: Stone Creek Metro District
Address: Various Addresses
City/State/Zip: 5635 Saddle Skirt St, Parker, CO 80134
Service Contact Name: Peggy Ripko
Phone: (303) 987-0835x 210
Email: pripko@sdmsi.com

Billing Information

HOA Name: Stone Creek Metro District
C/O: SDMS
Address: 141 Union Blvd, STE 150, Lakewood, CO 80228
Billing Contact Name: Peggy Ripko
Phone: (303) 987-0835x 210
Email: pripko@sdmsi.com

Service Description & Recurring Rates

Number of Homes Qty for Billing	Equipment	Material Stream	Frequency	Per Home All-In Rate	\$ \$12.00 + RMO	
350	96 Gallon Carts	Trash	Weekly	*Fuel & Environmental/RCR Included in All-In Rate, will be detailed on invoice. *Recycle Material Offset (RMO) Applies; per home, per month	\$ \$	Included* Variable*
		Recycle	Every-other-week.	*Admin Charge Applies Waived when enrolled in both Paperless & Autopay.		

Additional Carts; per cart, per month: \$5.00 billed to resident.

Special Instructions:

- 1 home to start, 350 total homes at buildout at \$12.00 per home, per month + RMO, for Weekly Trash and Every-Other Week Recycle service.
- Billing will be based on actual number of homes built and serviced.
- Waste Management will supply (1) 96-gallon trash cart, and (1) 96-gallon recycle cart to all residents. All trash and recycle must be inside WM carts for service. Additional carts are available to residents at \$5.00 per cart direct billed to resident.
- Recycle Material Offset charge is a variable charge for recycle based on commodity values and recycle market. Current cost is \$1.54 however will fluctuate and could appear as a charge or credit.
- Base Rate is guaranteed for 12 months with future increases to be based on The Consumer Price Index – Water, Sewer, and Trash Index not to exceed 5% per year.

Initial One Time Service Charges *

Initial Delivery	\$	0.00
Delivery after Initial	\$	0.00

As Needed Services *

The above listed Charges are for recurring services only. Charges for all additional services will be at current rates at the time of service. These include but are not limited to: extra pickups, container removal, overages and contamination. Contact Waste Management for a full list of such additional services and current prices.

* Fuel Surcharge, Environmental Charge, and Regulatory Cost Recovery ("RCR") Charge apply to all other Charges whether or not listed on this summary; any amounts shown above are estimated, and actual amounts will be calculated at the time of invoicing based on a percentage of the Charges. Information about these charges can be found at www.wm.com/billhelp. State & Local taxes, and/or fees and a Recycle Material Offset, if applicable, will also be added to the Charges. An Administrative Charge per invoice will be assessed and can be removed by enrolling in paperless statements and automated payments. If Charges are Group Billed, the Charges total will adjust based on the number of Customer residences. The Association must timely notify Company of any increase or decrease in number of residences in the Association Area. The Association is not entitled to be reimbursed for any overpayment due to the Association's failure to notify Company of a decrease in the number of residences.

This Agreement does not provide for a fixed price during the Contract Term. Unless specifically provided otherwise herein, Association should expect Company to increase Charges as allowed by Section 6(b) and Company to seek other price increases subject to Association's consent under Section 6(c) of this Agreement. Consent to price increases may be given orally, in writing, or by notice and Association's payment of, or failure to object to, the price increase.

Contract Term for monthly rate services is for 60 Months (s) from the Effective Date ('Initial Term') and it shall automatically renew thereafter for additional terms of sixty (60) months ('Renewal Term') unless terminated as set forth herein.

This Homeowners' Association Service Agreement (this "Agreement") is made as of the Effective Date shown above by and between Waste Management of Colorado, Inc. ("Company") and the Association named above, on behalf of the Association and the Customers. The undersigned individual signing this Agreement on behalf of the Association and all of the Customers acknowledges that he/she has read and understands the following terms and conditions of this Agreement and that he/she has the authority to sign on behalf of the Association and all of the Customers.

_____	_____	_____	_____
Customer Signature	Printed Name	Title	Date
_____	Mike Maher	Waste Management Territory Manager	_____
Company: Waste Management of Colorado, Inc.	Printed Name	Title	Date

EXHIBIT B
CERTIFICATION OF CONSULTANT

1. Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., the Consultant hereby certifies to the District that the Consultant 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 Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of the Consultant who are newly hired to perform work under the Agreement.

2. In accordance with Section 8-17.5-102(2)(a), C.R.S., the Consultant 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 Consultant that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

3. The Consultant represents and warrants it has confirmed the employment eligibility of all 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.

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

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

(a) Notify the subcontractor and the District within three (3) days that the Consultant 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 (3) days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Consultant 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.

6. The Consultant shall comply with any reasonable request by the Colorado Department of Labor and Employment (“**Department**”) made in the course of an investigation that the Department is undertaking, pursuant to the law.

7. If the Consultant violates any provision of Section 8-17.5-102(1), C.R.S., the District may terminate the Agreement immediately and the Consultant 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 Consultant to the Colorado Secretary of State, as required by law.

EXHIBIT C
FORM OF CHANGE ORDER

Change Order No:	Date Issued:
Name of Agreement:	
Date of Agreement:	District(s):
Other Party/Parties:	

CHANGE IN SCOPE OF SERVICES (describe):

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$ _____	Original Term: Expires _____, 20____
Increase of this Change Order: \$ _____	New Term: Expires _____, 20____
Price with all Approved Change Orders: \$ _____	Agreement Time with all Approved Change Orders: _____

APPROVED:	
By:	_____
District	_____

APPROVED:	
By:	_____
Consultant	_____



August 18, 2020

Stone Creek Metropolitan District
c/o Special District Management Services
141 Union Blvd., Ste. 150
Lakewood, CO 80228

Denver Office
David A. Firmin
Direct 303.991.2028
dfirmin@altitude.law

Re: Altitude Community Law P.C. Legal Services Proposal for Stone Creek Metropolitan District

Dear Board of Directors:

Thank you for your interest in the legal services we can provide for your association. Enclosed are materials describing our experience, philosophy, services and fees. We offer a variety of fee programs, including flat fees and retainers, to suit the needs of individual associations. To determine what fee program may best suit Stone Creek Metropolitan District, please give me a call after you have had a chance to review the enclosed material.

How we will work with you. Our experience enables us to partner with your association and your team to provide tailored, creative solutions that best meet the association's unique needs. As the trusted leader in community association law in Colorado, we have over 100 years combined experience and have successfully represented more than 2,000 associations. We make every effort to understand your issues and constraints and will alert you when we see an opportunity or potential problem that is beyond the association's immediate need, while keeping your budget in mind.

Value-added benefits of partnering with Altitude Community Law P.C. We are committed to providing our clients with up-to-date information, education and tools to help you govern your community proactively and positively. We offer education programs designed exclusively for board and committee members. The 2020 education schedule is available on our website, www.altitude.law/education. From our website you also may register for our blog, webinars and e-newsletter, to keep up-to-date on current issues that may impact your association.

Next steps. If you desire to hire our firm, please complete and return the 2020 Legal Services and Fee Summary Agreement. To take advantage of our retainer program, check the appropriate retainer box on page 4 of the Agreement.

Feel free to contact me with questions or comments after you've had an opportunity to review the enclosed materials. We would be happy to attend a board meeting to meet you, listen to your concerns and discuss how we can assist your association.

Sincerely,

A handwritten signature in blue ink, appearing to read "DAF", is written over a light blue horizontal line.

David A. Firmin
Altitude Community Law P.C.

DAF/gm
Enc.



2020-2021 LEGAL SERVICES AND FEE SUMMARY AGREEMENT

The following is a summary of the fees and charges for the various legal services offered by Altitude Community Law.

Our retainer programs reduce your association's legal expenditures and simplify the budgeting process by establishing a **fixed monthly fee**. This fee purchases the essential legal services your association requires, making us available to you as needed. We now offer **three** retainer packages to better fit your needs.

RETAINER SERVICES AND BENEFITS

For a yearly fee of **\$2,400**, payable monthly at **\$200 per month**, retainer clients receive the following legal services and benefits without further charges:

Phone Calls. We will engage in unlimited telephone consultations with a designated board member or association manager regarding legal and other questions and status of ongoing work we are performing for you, exclusive of litigation, foreclosure, covenant enforcement, and document amendments. Written consultations/communications such as emails, written correspondence, and calls with multiple Board members at the same time will be billed at our reduced hourly rates, as will our time to review governing documents, correspondence, etc., if necessary to answer a question.

Reduced Hourly Rates. For legal services billed hourly beyond what is included in the retainer, we will provide those services at \$20 per hour less than our non-retainer rates for attorneys and paralegals.

In-Office Consultation. We will meet with a designated board member and/or the association's manager in our office for 30 minutes on any new matter. If the meeting extends beyond the 30 minutes, you will be billed at our reduced hourly rates.

Attendance at Board Meeting. At your request, we will attend one board meeting per twelve month period for up to one hour. As a retainer client, we will prioritize attending the board meeting of your choosing. If our attendance exceeds one hour, you will be billed at our reduced hourly rates.

Audit Response Letter. We will prepare a letter to your financial auditor in connection with your annual audit indicating pending or threatened litigation. We will also review your annual financial audit upon completion.

Periodic Report. We will prepare and file your periodic report with the Secretary of State if you have designated us as your registered agent.

DORA Renewal: We will prepare and file your renewal report with DORA if requested.

RETAINER PLUS SERVICES AND BENEFITS

For a yearly fee of **\$3,000**, payable monthly at **\$250 per month**, we will provide the following legal services and benefits without further charges:

In addition to the services provided to Retainer clients, **Retainer Plus** clients will receive the following additional services:

Email Consultations. We will engage in 30 (thirty) minutes of email consultations with a designated board member and the association's manager regarding legal and other questions and the status of ongoing work that we are performing on your behalf, exclusive of litigation, foreclosure, covenant enforcement, and document amendment matters. Additional written consultations and communications will be billed at our reduced hourly rates. If it is necessary to review governing documents, correspondence, etc. to answer a question, you will be billed at our reduced hourly rates.

SB100 Policy Update. We will provide one free SB100 Policy update for your association.

Credit Card Payments. For Retainer Plus clients, we will accept homeowner payments via credit card.

PREMIUM RETAINER SERVICES AND BENEFITS

For a yearly fee of **\$6,000**, payable monthly at **\$500 per month**, we will provide the following legal services and benefits without further charges:

In addition to the services provided to **Retainer and Retainer Plus** clients, Premium Retainer clients will receive the following additional services:

Email Exchanges. We will communicate with your delegated board member and the association's manager via email up to **60 (sixty) additional** minutes every month which includes minor research.

Attendance at **one additional Board Meeting** per year. At your request, we will attend a total of two board meetings per twelve month period for up to one hour each. If our attendance exceeds one hour, you will be billed at our reduced hourly rates.

Other needed revisions to SB100 Policies required by new legislation reduced by \$100.

RETAINER SERVICES GENERALLY

We will send notices of renewal of retainers annually. Upon expiration, the retainer will automatically be renewed on a monthly basis until we receive a notice to terminate.

FIXED FEE SERVICES

Altitude Community Law offers fixed fee services. The association will pay Altitude Community Law (the Firm) for performance of the services as outlined in a proposal for services, plus costs. The association understands that it is not entering into an hourly fee agreement for that specified service, except as otherwise set forth. This means the Firm will devote such time to the matter as is necessary, but the Firm's fee will not be increased or decreased based upon the number of hours spent.

NON-RETAINER SERVICES AND BILLING TERMS

If you desire representation on a non-retainer basis, you will be billed hourly for all work performed unless a fixed fee (such as collection matters or amendment of documents) has been agreed to in advance. Our hourly rates for 2020 non-retainer clients are \$95 - \$120 for paralegals/legal assistants, \$300 - \$330 for attorneys. Non-retainer clients are billed hourly for all phone calls.

TERMINATION OF REPRESENTATION

You may terminate our representation at any time by notifying us in writing and we may resign from representation by notifying you in writing. In either case, you understand that court or administrative rules may require us to obtain a judicial or administrative order to permit our withdrawal. We agree that upon receipt of your termination notice, we will take such action as is necessary to withdraw from representing

you, including requesting any necessary judicial or administrative order for withdrawal. However, whether you terminate our representation, we cease performing further work and/or withdraw from representing you, as allowed under the Colorado Rules of Professional Conduct or for your failure to comply with the terms of this Agreement, you understand and agree that you continue to be responsible to us for the payment of all fees and expenses due and owing and incurred in withdrawing from representing you, including any fees and expenses we incur to obtain, and/or during the time we are seeking to obtain, any necessary judicial or administrative order to approve our withdrawal.

If you so request, we will send to you your files as soon as a particular matter is concluded. If you do not request your files, the firm will keep the files for a minimum of ten (10) years, after which it may retain, destroy or otherwise dispose of them.

PRIVACY POLICY

Attorneys, like other professionals who provide certain financial services, are now required by federal and state laws to inform their clients of their policies regarding privacy of client information. Attorneys have been and continue to be bound by professional standards of confidentiality that are even more stringent than those required by this new law. Thus we have always protected the privacy of your confidential information.

In the course of providing legal services, we sometimes receive significant nonpublic personal information from our clients. As a client of Altitude Community Law you should know that all such information we receive from you is held in confidence. We do not disclose such information to anyone outside the firm except when required or authorized by applicable law or the applicable rules of professional conduct governing lawyers, or when authorized by you in writing.

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information we maintain, physical, electronic and procedural safeguards that comply with our professional standards.

If you have any questions or would like more information about our privacy policies and practices, please let us know.

GENERAL TERMS FOR ALL CLIENTS

We represent the association as a corporate entity. We will take our direction for work as instructed by the manager or the board. We do not represent any individual board members or homeowners.

Clients are required to reimburse us for cost advances and other out-of-pocket expenses. Reimbursement is made at actual cost for outside charges such as court recording fees, filing fees, service of process charges, computerized legal research, expert witness fees, title searches, deposition reporting and transcription fees, outside photocopying, etc. Typically, we do not charge for internal photocopies, faxes, postage and long distance telephone calls unless these charges are extraordinary. We provide monthly statements for services and expenses incurred. Unless other arrangements are made and agreed upon in writing, all charges are due and payable upon your receipt of the statement. A finance charge of 12% per annum may be imposed upon any amount not paid within 30 days of becoming due. Fees may be modified upon 30 days prior written notice. If it becomes necessary to file suit to recover unpaid attorney fees, the prevailing party shall be entitled to receive its attorney fees.

In the event we have not been provided with, or our files do not contain, all of the recorded documents of the association, we retain the right to obtain any such recorded documents to supplement our file without association approval and at the association's cost. The association's cost will include, but not be limited to, hourly charges for procuring the documents and copying costs. In order to provide you with the most efficient and effective service we will, at all times, unless otherwise directed, work through your manager if appropriate.

Should you have any questions, please do not hesitate to call any of our attorneys. We are happy to answer any of your questions or meet with you at no charge to discuss our services and fees in greater detail.

RESPONSE REQUIRED

If you desire to engage our services, please indicate below which type of service you prefer by checking the appropriate box, execute the acceptance and return it to us via mail, e-mail or fax.

Legal Services: (select one)

- Retainer Services
- Retainer Plus Services**
- Premium Retainer Services
- Custom Retainer Option
- Non-Retainer

Collection Services:

Please see attached Fee Structure

Billing Preference: (select one)

- Paper and Mailed
- Electronic and Emailed

Email address: _____

(please note, only one email address per management company or self-managed association will be used)

Agreed to and accepted this ____ day of _____, 20____.

Print Association Name

By: _____
President/Manager



EXHIBIT A TO FEE SUMMARY AGREEMENT FOR 2020 LEGAL COLLECTION SERVICES

Fee Structure

This is a flat fee agreement for collection services. The Association will pay Altitude Community Law (the Firm) for performance of the services described below, plus costs. The Association understands that it is not entering into an hourly fee agreement for collection services, except as otherwise set forth below. This means the Firm will devote such time to the representation as is necessary, but the Firm's fee will not be increased or decreased based upon the number of hours spent.

The Association has the right to terminate the representation at any time and for any reason, and the Firm may terminate the representation in accordance with Rule 1.16 of the Colorado Rules of Professional Conduct. In the event that the Association terminates the representation without wrongful conduct by the Firm that would cause the Firm to forfeit any fee, or the Firm justifiably withdraws in accordance with Rule 1.16 from representing the Association, the Association shall pay, and the Firm shall be entitled to, the fee or part of the fee earned by the Firm as described in paragraph 1 above, up to the time of termination. If the representation is terminated between the completion of increments (if any), the Association shall pay a fee based on our standard hourly rate set forth in our standard fee agreement. However, such fees shall not exceed the amount that would have been earned had the representation continued until the completion of the increment, and in any event all fees shall be reasonable. Once the work is performed, the Fee will be deemed earned and is due upon receipt of an invoice.

Case Intake, Review and Assessment - No charge

We do not charge you to review new collection cases and make recommendations. However, if we receive open collection files from another attorney, there will be a \$25 set-up and review fee per file. This fee will be waived if you are a retainer client.

At the rates set here in, upon receiving a new turnover, we will perform the following work for due diligence and to put the Association in the best possible collection position: Assessment Lien Package (if a lien has not already been recorded), Demand Letter, Public Trustee Search, and Bankruptcy Search. Next steps after this work depends on the homeowner's response, balance due, history, information acquired, and other factors.

Demand Letter - \$155

Preparation of a demand letter includes reviewing the ledger or equivalent record to ascertain the amounts owed including interest, late charges, fines and charge backs, if relevant, and review prior notice given to owner to meet statutory requirements; drafting and mailing the demand letter to the homeowner; follow-up, including telephone calls with the management company and homeowner, negotiation of an acceptable payment plan; follow up letter (as needed) to confirm payment arrangements. All correspondence other than the initial demand and payment plan letter is \$50 per letter (e.g., follow up demand letter, breach of payment plan letter).

Super Lien Demand Letter - \$110

Preparation of a demand letter post foreclosure includes reviewing ledger to ascertain amounts owed; verifying party to whom demand should be sent; drafting and mailing demand letter: or if request is received from a lender for the super lien amount, drafting a response. All discussions with the owner or lender after the letter are billed hourly.

Assessment Lien Package - \$110

This charge includes preparing both the lien and the lien release. It also includes verification of ownership with either the assessor's office or title company.

Lawsuit: - \$350 plus costs

This charge includes preparing the summons and complaint, filing these papers with the court, appearing at the return date and obtaining default judgment. It also includes all negotiations and telephone conferences with the owners prior to an answer being filed with the court.

Lawsuit: Trial - Hourly rates apply

All preparation for trial and appearances in court are billed on an hourly basis. If the association prevails at trial, it can recover its attorney fees and costs from the delinquent owner.

Interrogatories - \$80

We prepare and file a motion with the court to request the court to order an owner to answer a series of questions from us about the owner's assets. We will use the answer to help satisfy any judgment obtained by the association. We will also arrange for service of the order on the client and monitor and evaluate answers received from the owner.

Contempt Citation - \$105

If an owner fails to answer the interrogatories as ordered by the court, we will prepare and file all the necessary paperwork to require the owner to appear before the judge to explain why the questions were not answered. Our fee also includes our appearance at court, subsequent appearance if the owner fails to appear initially and review and evaluation of the answers once received from the owner.

Garnishments - \$105 (each)

We will identify entities (usually banks, employers or tenants) which owe or have money of the owner and prepare documentation to be filed with the court to order the entity to release all or a portion of the money they hold for or are obligated to pay the owner to the association. We will arrange for service of the necessary documentation and will monitor for responses.

Payment Plans - \$75-175 (each)

In the event an owner wishes to pay their balance due over time exceeding 6 months, we will charge a fee depending upon the length of the payment plan to prepare the necessary documentation, monitor and process payments and close the file. Unless we are instructed otherwise, we may agree to payment plans of up to 24 months with any homeowner.

Motions - \$100-125

Occasionally, certain motions may be necessary in a case in order to get the court to issue a ruling without further legal action. These will be prepared, filed, monitored and argued before the court, if necessary.

Outbound Phone Calls - \$55

Once we obtain a phone number for an owner, we will make up to 3 outbound calls to an owner to secure payment. All other calls with an owner will be at no charge.

Payoff Calculations - \$100

It is important for your management company or treasurer to confirm all payoff amounts with us prior to issuing status letters or advising owners of balances so that all legal costs and fees can be included. We will also insure that all fees necessary to close or dismiss a file are included. Rush charges do apply.

Monitoring Lender Foreclosure - \$195 (one-time charge)

It is important to monitor lender foreclosure through the sale and redemption period. We obtain periodic ownership and encumbrance reports, if needed, and routinely verify the status of the foreclosure action. We advise you of the association's rights and options throughout the process. Once a sale is completed, we advise the association of the new owner and the association's rights.

Monitoring Bankruptcy - \$180 Chapter 7; \$300 Chapter 13 (one-time charge)

We prepare and file a Proof of Claim, if necessary, monitoring the bankruptcy through discharge. Our services include reviewing the plan (if Chapter 13) to make sure it includes provisions for payment of pre- and post-petition assessments, and checking with the trustee and debtor's attorney to determine if property has been abandoned. If it becomes necessary to file any motion with the court, we charge fixed fees as follows:

Motion to Dismiss: \$395

Motion for Relief from Stay: \$595

Objection to Plan: \$195

All preparation for and appearances in court are charged on an hourly basis.

Assessment Increase Notice - \$200

We prepare notice to the bankruptcy court of any increase in the ongoing debt owed to the association upon receipt of notice from you, including filing a proof of claim and letter to the bankruptcy attorney or debtor.

Public Trustee/Bankruptcy Search - \$30 (each)

Verifying whether a property is in foreclosure or subject to a bankruptcy before filing a lawsuit can save the association hundreds of dollars. So, we will search both the public trustee and bankruptcy records and then advise the association if different action is necessary.

Receiverships (County Court) - \$295 initial, then hourly. Court costs are approximately \$250

We will prepare pleadings and appear in court to obtain appointment of a receiver to collect rents where the property is abandoned or being rented by the owner. Once appointed, we supervise disbursement of the monies collected by the receiver at an hourly rate.

Lien/Judicial Foreclosures (District Court) - Hourly rates apply

We recommend that foreclosure be considered as a viable collection remedy in all problem cases. Our fee is based on the complexity of your circumstances and should reflect the value you will receive from the monetary result of the foreclosure.

Lien Sales - \$500

We list all liens that are potentially available for sale on our website at <https://Altitude.Law/general-topics/liens-for-sale/> at no cost. In the event a lien is sold we collect our fee from the purchaser of the lien. In order to handle quickly, within the legal time limits, we reserve the right to sell liens, without prior approval if the purchase price is equal to or more than the balance due.

Status Report - \$75/month (if not accessed electronically)

We provide online access to each association's collection status report. For more information please contact us. If your association chooses to have us prepare your status report, there will be a monthly fee.

Asset/Person Locations - \$25-100

From time to time we must locate debtors and/or their assets in order to secure payment for you. We will use various databases for which there is a cost to us, to secure possible leads. This information is then reviewed and analyzed to develop the best strategy for quickly and efficiently securing payments.



Managing Partner



David A. Firmin :: **Shareholder**

Education: University of Denver (B.A., 1991); University of Denver (J.D., 1998).

Member: Colorado Bar Association; Southwestern Colorado Bar Association; Community Associations Institute.

Practice Areas: Condominium and Homeowners' Association Law.

Debt Recovery



Kiki N. Dillie :: **Partner - Debt Recovery Department Head**

Education: University of Colorado (B.A., 2002); University of Colorado School of Law (J.D., 2008).

Member: Colorado Bar Association; Colorado Creditor Bar Association; Community Associations Institute.

Practice Areas: Collections.



Amanda K. Ashley :: **Associate**

Education: Central Methodist University (B.A., 2000); Marquette University Law School (J.D., 2004).

Member: Colorado Bar Association; Adams County Bar Association; Community Associations Institute; Wisconsin Lawyers Assistance Program; Wisconsin Law Foundation Fellow; Board of Directors: Non Resident Lawyer Division WI.

Practice Areas: Collections.



Sheridan Classick :: **Associate**

Education: Metropolitan State University of Denver (B.A., 2015); Gonzaga School of Law (J.D., 2018).

Member: Colorado Bar Association; Denver Bar Association.

Practice Areas: Collections.



Patrick Stordahl :: **Associate**

Education: Concordia College (B.A., 2016); University of Saint Thomas School of Law (J.D., 2019).

Member: Minnesota Bar Association; Colorado Bar Association.

Practice Areas: Collections.

Litigation/Foreclosure/Covenant Enforcement



Jeffrey B. Smith :: **Partner - Litigation Department Head**

Education: Providence College (B.A., 2005); University of Denver College of Law (J.D., 2008).

Member: Colorado Bar Association; Denver Bar Association; Community Associations Institute; Colorado Defense Lawyers Association.

Practice Areas: Covenant and Rule Enforcement Litigation; Insurance Defense; Civil Litigation; Contract Disputes; Fair Housing Law; Foreclosure.



William ("Bill") H. Short :: **Partner**

Education: University of Vermont (B.A., 1979); Emory University School of Law (J.D., 1982).

Member: Colorado Bar Association; Denver Bar Association; Community Associations Institute. Colorado Defense Lawyers Association.

Practice Areas: Insurance Defense; D&O Liability; Construction Law; Civil Litigation; Contract Disputes; Fair Housing Law; Covenant and Rule Enforcement Litigation.



Debra J. Oppenheimer :: **Partner**

Education: Metropolitan State College (B.S., 1986); University of Texas (J.D., 1989).

Member: Colorado Bar Association; Community Associations Institute.

Practice Areas: Covenant and Rule Enforcement Litigation; Insurance Defense; Civil Litigation; Contract Disputes; Fair Housing Law.



Kate M. Leason :: **Associate**

Education: University of Central Florida (B.A., 1987); University of South Florida (M.L.S., 2003); Barry University, Dwayne O'Andreas School of Law (J.D., 2008).

Member: Colorado Bar Association; Denver Bar Association; Community Associations Institute; American Association of Law Libraries.

Practice Areas: Foreclosure.



Azra Z. Taslimi :: **Associate**

Education: State University of New York at Albany (B.A., 2004); State University of New York at Buffalo (J.D., 2007)

Member: Colorado Bar Association; Community Associations Institute

Practice Areas: Fair Housing Law; Covenant and Rule Enforcement Litigation.

Transactional



Elina B. Gilbert :: **Shareholder - Transactional Department Head**

Education: University of Michigan, Ann Arbor, Michigan (B.A., 1993); University of Detroit Mercy School of Law (J.D., Cum Laude, 1997).

Member: American Bar Association; Michigan Bar Association; Community Associations Institute; College of Community Association Lawyers.

Practice Areas: Condominium and Homeowners' Association Law.



David A. Closson :: **Shareholder**

Education: Colorado State University (B.A., 1995); University of Colorado (M.B.A., 2002); University of Colorado (J.D., 2002).

Member: Community Associations Institute.

Practice Areas: Business; Condominium and Homeowners' Association Law.



Melissa Garcia :: **Shareholder**

Education: University of Nevada, Reno (B.A., 1996); California Western School of Law (J.D., 1999).

Member: Community Associations Institute.

Practice Areas: Condominium and Homeowners' Association Law.



Maris S. Davies :: **Associate**

Education: Ithaca College (B.S., 2001); University of Denver (J.D., 2009).

Member: Colorado Bar Association; Community Association Institute.

Practice Areas: Condominium and Homeowners' Association Law.



Kelly K. McQueeney :: **Associate**

Education: University of Colorado (B.A., 2007); University of Denver Sturm College of Law (J.D., 2012).

Member: Colorado Bar Association; Community Associations Institute.

Practice Areas: Condominium and Homeowners' Association Law.



SERVING HOMEOWNERS ASSOCIATIONS

Altitude Community Law P.C. is the premier law firm which serves legal needs of community associations. More than 1800 associations throughout Colorado have chosen us to guide them through the formation, transition and operation of their organizations. Our association clients include condominium, townhome and detached single family associations across the country.

Communities ranging in size from two units to more than 90,000 units enjoy the personal attention we provide, along with the depth and breadth of knowledge that only years of experience can yield. More than any law firm, we focus on homeowners associations and covenant controlled communities. We have prepared in excess of 500 sets of rules and architectural control guidelines and assisted over 500 associations in amending or restating their legal documents.

With several offices throughout Colorado, we are able to service our clients in a timely, efficient, and responsive manner.

OUR TEAM

Altitude Community Law was founded in 1988. Our attorneys work as a team to help you in the formation of a new community association, in running your existing homeowners association, or resolving disputes involving your association. Adding to the firm's 100 plus years of combined experience are attorneys Elina B. Gilbert, Melissa M. Garcia, David A. Firmin, David A. Closson, William H. Short, Debra J. Oppenheimer, Kiki N. Dillie, Jeffrey B. Smith, Maris S. Davies, Kate M. Leason, Amanda K. Ashley, Kelly K. McQueeney, Azra Z. Taslimi, Sheridan Classick, and Patrick Stordahl.

CLIENT SERVICE - OUR NUMBER ONE PRIORITY

Each member of our firm is committed to providing you with the best legal representation in our field at competitive rates that fit your budget. We also understand that each client has different needs and expectations, and good client servicing is in the eyes of the client, not in the eyes of the firm.

That's why we're committed to getting to know the board members of your association so that we can understand and meet your needs. By returning your calls promptly, communicating with you regularly, and offering various educational workshops annually, we are always looking for ways to better serve you and to exceed your expectations in a law firm.

By working with you, we can help you accomplish your goals on behalf of your association, and we can make your role as a board member easier by providing you with the tools you need to do your job effectively.

PREVENTION - THE BEST LEGAL APPROACH

The first and best legal solution is preventing disputes and other legal problems. With a strong emphasis on prevention, we draw from our experience to help you lay a proper foundation for the future and avoid costly and destructive pitfalls. This is so important to our clients that we have developed Legal

and Insurance Audit programs, which are described in our Retainer and Fee Summary Agreement.

While we emphasize prevention, we are also fully prepared to fight for your cause if the need arises. We can represent you to resolve disputes through mediation, arbitration or litigation.

COUNSEL FOR
ASSOCIATIONS
AT ALL STAGES

We advise associations at all stages of growth; from pre transition to the mature association. Many areas of law converge to govern community associations. We can help you address issues at all stages of a homeowner association's development. In addition to our experience, we have been an advocate for community associations at the Capitol. Our attorneys serve on the Legislative Action Committee for CAI and are aggressively involved in monitoring and testifying in the legislature concerning bills affecting community associations.

COMMUNITIES
IN TRANSITION

One of the most pivotal times for a community association is during its transition from developer to homeowner control.

TRANSITION OF
CONTROL

The developer controls a common interest community during its formation. As lots or units are sold, transition from developer to homeowner control begins, with owners bearing the responsibility for the association's operation. Ideally this is a process rather than an isolated event. Over time, owners gradually become involved in the governance of the association. Altitude Community Law has assisted more than 425 associations with this process making for a smooth and problem-free transition.

THE MATURE
COMMUNITY
ASSOCIATION

Mature associations function best when they provide services to owners (as set forth in the governing legal documents) and responsibly enforce their governing documents and anticipate changing needs.

REVIEWING,
AMENDING AND
INTERPRETING
DOCUMENTS

By periodically reviewing, amending or revising your association's articles of incorporation, bylaws, covenants, and rules, Altitude Community Law can help you build a strong, legally-sound foundation for your community. We can assist you by understanding your goals and redrafting, writing or amending rules, architectural control guidelines and covenants that address your association's needs within the framework of local, state and federal laws. We can also aid you in the proper interpretation and clarification of your governing documents.

COVENANT
ENFORCEMENT

Two principles apply when addressing enforcement of covenants and rules. Covenants and rules must be carefully written to be enforceable and must be enforced consistently to retain their strength. The same principles apply when dealing with architectural control or design enforcement. At Altitude Community Law, we can assist you in these important areas through use of our alternate dispute resolution services, or if need be, through our litigation services.

CREATIVE
PROBLEM
SOLVING

We've handled a wide variety of covenant enforcement issues, and have achieved many successes for our association clients. From painting and landscaping, to pets and parking, we have experience with virtually every imaginable covenant violation. While our goal is to resolve disputes outside of court, when litigation is necessary, we're strong advocates for homeowners associations. Not only do we have years of courtroom experience, but we also have years of industry experience—insight that enables us to utilize creative solutions, as well as anticipate the challenges of a covenant violation lawsuit.

DEBT
RECOVERY

Financial well-being hinges on timely collection of association assessments and other charges. In addition to traditional methods of collections such as demand letters, liens, and personal lawsuits, we have developed successful alternatives to help you collect assessments when traditional methods fail, including the use of receiverships and foreclosures. In the last two years, we've collected over \$9 million in delinquent assessments and fees for the associations we represent. No other firm can claim this degree of success. We are also the first firm to provide clients with online status reports of their collection accounts. The information is real-time account history accessed through a secure online system.

INSURANCE
AUDIT

At every stage of an association's maturity, it is important that the association have adequate insurance not only for the structures and improvements, but also for the board of directors. We can review your current policies for adequate coverage and to determine if your coverage complies with the requirements in your governing documents.

An association that isn't properly insured for general liability and property coverage, director and officer coverage, fidelity insurance, and gap coverage may be susceptible to lawsuits filed by owners. Our insurance audit can assist your association not only by determining any weaknesses in your coverage, but by recommending a more comprehensive insurance plan that will meet your needs and budget.

DISPUTE
RESOLUTION/
LITIGATION

We emphasize prevention of legal problems through thoughtful and thorough advice and counsel given prior to taking action or entering into transactions. When a legal problem does arise, we will assist you in finding the most practical and cost-effective solution. Our trial attorneys are not only experienced, but also have a long track record of winning in the courtroom. Our goal is to resolve disputes outside of court whenever possible, and all Altitude Community Law attorneys have had formal training in mediation and negotiation.

But when a resolution cannot be found, we bring our extensive litigation experience to bear on behalf of our clients. We assess with you the benefits of litigation and weigh them against the costs and risks.

A wide variety of problems and needs come up in the course of governing and operating a homeowners association. Often the solution is not obvious. We enjoy taking both a creative and

proactive approach and working with you to find legal solutions that allow you to do what your association wants to do. Altitude Community Law has gained a reputation for using ground-breaking methods and solving old problems in refreshing new ways.

Pertinent examples of such creative problem solving include:

- Negotiated and closed the first bond financing in the country by a homeowners association of 15 million dollars for various capital improvements.
- Negotiated and drafted a favorable annexation agreement that provided for substantial payment to the association.
- Identified and implemented procedures to collect working capital contribution from developer for use by association in a build-out community.
- Amended legal documents for a condominium community to create and sell a unit out of the common elements, with the proceeds going to the Association.
- Consolidated two associations into one, eliminating duplicate costs and overhead.

From the beginning of our relationship with you, we welcome an open dialogue about the subject of fees and costs. We know how essential legal services are to your successful operation. We also know you must work within an established budget.

FINANCIAL
CONSIDERATIONS

We have made every effort to package our services in a meaningful way that reflects their value to you. We strongly urge all associations to elect to be on our popular retainer program. The retainer program reduces your association's legal expenditures and simplifies the budgeting process by establishing a fixed monthly fee. Your fee purchases the essential legal services your association requires, making us available to you as needed. As an alternative to hiring us on an hourly basis, fees are frequently quoted on a flat or fixed fee basis.

HOW WE
CHARGE FOR
OUR SERVICES

We will work with you to select from these convenient options, or to create an alternative arrangement tailored to suit your needs.



BOARD OF DIRECTORS ROSTER

Please complete and email to hoalaw@altitude.law, fax to 303.991.2073 or mail to 555 Zang Street, Suite 100, Lakewood, CO 80228-1011.

This information will be used for communication (correspondence, newsletters, etc.) between our firm and you. It will not be released outside of our firm. Thank you.

Association Name: _____ Date: _____

Website: _____

Board Meeting: _____

Month of Annual Meeting: _____

PRESIDENT			
Name		Phone Number(s)	
Mailing Address		(H)	(C)
City, State, Zip:		(W)	Fax:
Email Address			
I do not want to receive: E-newsletter Blog Periodic Client Alerts		Term Expires (mo/yr):	

VICE PRESIDENT			
Name		Phone Number(s)	
Mailing Address		(H)	(C)
City, State, Zip:		(W)	Fax:
Email Address			
I do not want to receive: E-newsletter Blog Periodic Client Alerts		Term Expires (mo/yr):	

SECRETARY			
Name		Phone Number(s)	
Mailing Address		(H)	(C)
City, State, Zip:		(W)	Fax:
Email Address			
I do not want to receive: E-newsletter Blog Periodic Client Alerts		Term Expires (mo/yr):	

TREASURER			
Name		Phone Number(s)	
Mailing Address		(H)	(C)
City, State, Zip:		(W)	Fax:
Email Address			
I do not want to receive: E-newsletter Blog Periodic Client Alerts		Term Expires (mo/yr):	

MEMBER/ADDITIONAL BOARD MEMBER			
Name		Phone Number(s)	
Mailing Address		(H)	(C)
City, State, Zip:		(W)	Fax:
Email Address			
I do not want to receive: E-newsletter Blog Periodic Client Alerts		Term Expires (mo/yr):	



ALTITUDE COMMUNITY LAW ASSISTANCE ON COVID-19

We've been getting a lot of questions on what associations should be doing in response to the updated [Safer at Home Order](#), and in particular the new pool [guidelines](#). So, we thought we would provide our thoughts on how you should be approaching COVID-19 related questions in general, and how Altitude Community Law can help you.

As far as a general approach, we recognize that boards are in a very difficult position. It seems that whatever you do, such as keeping the pool closed or opening it, someone is going to be angry. This likely brings angst and a lot of pressure. But keep in mind that as volunteer board members you are protected from liability for the decisions you make, and the actions you take, as long as you act according to the following standard of care:

1. In good faith (don't act maliciously or in bad faith);
2. Prudently (get informed, ask questions, conduct due diligence); and
3. In the best interest of the Association (not in the best interest of the Board, the homeowners, or the loudest, angriest group of homeowners).

So that's your approach. Act in good faith, prudently and in the best interest of the Association. And a very important part of that approach is to be informed, and to paper trail your due diligence. That's where we come in.

Since COVID-19 hit [Altitude Community Law](#) has been providing ongoing guidance through our newsletters, blogs, webinars, and other social media. We can also provide legal expertise to your specific association, upon which you can rely when making informed COVID-19 decisions. Here are some specific ways we can help:

- Provide written opinions and recommendations on the question of reopening the pool and other facilities or any other COVID-19 related questions;
- Attend virtual meetings/conference calls to answer questions on COVID-19 related topics such as opening pools, meetings, etc.;
- Draft community-wide letters or letters in response to specific homeowners;
- Draft pool and recreational facility waivers;
- Draft collection moratorium resolutions or update current collection policies;
- Draft virtual meeting policies or update current conduct of meetings policies;
- Review, revise, or draft pool/rec facility rules/regulations to comply with the state and local health authority orders;

- Review insurance policies for applicable coverage;
- Review, revise or draft other governing documents in relation to COVID-19;
- Review and revise contracts for better protection when faced with crises;
- Assist with preparing general pandemic plans of action.

We have already assisted numerous associations with all of the above, and are ready and willing to help you. Please contact any of our attorneys at (303) 432-9999 or email us at hoalaw@altitude.law to assist with any of your COVID-19 related concerns.