

RESOLUTION NO. 2020-10-09

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE COMMONS AT EAST CREEK METROPOLITAN DISTRICT REGARDING
CONTINUING DISCLOSURE POLICIES AND PROCEDURES**

A. The Commons at East Creek Metropolitan District, Arapahoe County, Colorado (the “**District**”) has entered into the continuing disclosure undertaking(s) set forth in **Exhibit A** attached hereto (referred to collectively herein, whether one or more than one, the “**Continuing Disclosure Undertaking**”).

B. The Board of Directors of the District (the “**Board**”) desires to adopt policies and procedures in an effort to ensure compliance by the District with its obligations set forth in the Continuing Disclosure Undertaking (the “**Continuing Disclosure Policy**”).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COMMONS AT EAST CREEK METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO:

1. The Continuing Disclosure Policy, as hereby approved, adopted and made a part of the public records of the District, shall be to impose the procedures set forth in **Exhibit B** attached hereto (the “**Compliance Procedures**”).

2. The Board hereby delegates the tasks and responsibilities set forth in the Compliance Procedures to the responsible parties as set forth therein.

3. The Continuing Disclosure Policy is intended to supplement any previous post-issuance compliance procedures that may have been adopted by the District and any procedures evidenced in writing by any Official Statement or continuing disclosure undertaking heretofore or hereafter issued, entered into or executed and delivered by the District or on its behalf.

4. The Board may revise the Continuing Disclosure Policy from time to time as the Board deems necessary or desirable to comply with federal and state securities laws or otherwise as the Board may determine in its sole discretion.

5. Prior to the engagement of the responsible parties listed in the Compliance Procedure, and other consultants as may applicable with respect to the Continuing Disclosure Undertaking, such responsible parties and consultants shall be required to review and comply with the Continuing Disclosure Policy, including, without limitation, the responsibilities set forth in the Compliance Procedures.

6. Within thirty (30) days, or earlier if necessary, of entering into any new continuing disclosure undertaking and/or with respect to any changes or modifications to the Continuing Disclosure Undertaking, the responsible parties and consultants shall meet with bond counsel and disclosure counsel to review the continuing disclosure compliance requirements and develop a process for compliance with respect to such new and/or changed continuing disclosure undertaking.

RESOLUTION APPROVED AND ADOPTED on October 26, 2020.

**THE COMMONS AT EAST CREEK
METROPOLITAN DISTRICT**

By: _____
President

Attest:

By: _____
Secretary

EXHIBIT A

Continuing Disclosure Undertaking

CONTINUING DISCLOSURE AGREEMENT

\$1,495,000

**THE COMMONS AT EAST CREEK METROPOLITAN DISTRICT
(IN THE CITY OF AURORA)
ARAPAHOE COUNTY, COLORADO
GENERAL OBLIGATION
(LIMITED TAX CONVERTIBLE TO UNLIMITED TAX) BONDS
SERIES 2020A⁽³⁾**

This Continuing Disclosure Agreement (this “Agreement”) is entered into as of October 28, by and between The Commons at East Creek Metropolitan District, in the City of Aurora, Arapahoe County, Colorado (the “District”), Meritage Homes of Colorado, Inc., an Arizona corporation (the “Developer”), and UMB Bank, n.a., Denver, Colorado, as trustee (the “Trustee”) under the Indenture (defined below) relating to the above-captioned bonds (the “Bonds”).

Section 1. Purpose. This Agreement is being executed and delivered by the parties hereto for the benefit of the holders of the Bonds and in consideration for the purchase by D.A. Davidson & Co. (the “Underwriter”) of the Bonds pursuant to the terms of a Bond Purchase Agreement between the Underwriter and the District dated as of October 21, 2020.

Section 2. Definitions. Capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings set forth in the Indenture (defined below) and the Limited Offering Memorandum (defined below). The capitalized terms set forth below shall have the following respective meanings for purposes of this Agreement:

“*Audited Financial Statements*” means the District’s most recent annual financial statements, prepared in accordance with generally accepted accounting principles (“GAAP”) for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”), which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Colorado.

“*Bond Resolution*” means the resolution authorizing the issuance of the Bonds adopted by the Board of Directors of the District on October 12, 2020.

“*Indenture*” means the Indenture of Trust dated as of October 28, 2020, by and between the Trustee and the District relating to the issuance of the General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2020A⁽³⁾.

“*Limited Offering Memorandum*” means the Limited Offering Memorandum prepared in connection with the offer and sale of the Bonds dated as of October 21, 2020.

“*MSRB*” means the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

Section 3. Procedures for Providing Quarterly Updated Information.

(a) ***Provision of Quarterly Information to Trustee.*** The Developer, as to Section 1, and the District, as to all remaining Sections, hereby undertake and agree, respectively, to provide to the Trustee within 45 days after the end of each calendar quarter (being March 31, June 30, September 30, and December 31) (each, a “Quarterly Report Deadline”), commencing with the calendar quarter ending on March 31, 2021, the information set forth in the form of the quarterly report appended as Appendix A hereto (each, a “Quarterly Report”). The District shall further provide its Audited Financial Statements (if the District is required to cause an audit to be performed under State statute) as part of the September 30 Quarterly Report in each year beginning in 2021. The Trustee will provide the information required by Section 2 of the Quarterly Report to the District not later than 10 days after the end of each calendar quarter. The Trustee further agrees that it will cooperate with and assist the District in providing the information required by Section 3 of the Quarterly Report. Any or all of the items required to be updated in Appendix A may be incorporated by reference from other documents, including official statements of debt issues that are available to the public on the MSRB’s Internet website or filed with the SEC. The District and the Developer, as applicable, shall clearly identify each such document incorporated by reference.

(b) ***Provision of Budget Information to Trustee.*** The District hereby undertakes and agrees to provide to the Trustee no later than 45 days after the end of the calendar year (being December 31) (the “Budget Report Deadline”), commencing with the calendar year ending December 31, 2020, the information set forth in the form of the budget report appended as Appendix B hereto (a “Budget Report”).

(c) ***Provision of Reports to the MSRB.*** Within 10 days after receipt of each Quarterly Report and Budget Report from the District and the Developer, as applicable, the Trustee shall provide to the MSRB (in an electronic format as prescribed by the MSRB) the Quarterly Report and Budget Report, as applicable. Each Quarterly Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3(a) above; provided that the Audited Financial Statements of the District (if the District is required to cause an audit to be performed under State statute) may be submitted separately from the balance of the Quarterly Report due each September 30.

If the Developer or the District fails to provide to the Trustee the information in the Quarterly Report or the Budget Report, as applicable, required to be provided by it at least 10 days prior to the applicable Quarterly Report Deadline or Budget Report Deadline, as applicable, then the Trustee shall provide notice to the Developer or the District, as applicable, that its respective portions of the Quarterly Report or the Budget Report, as applicable, remain due, and shall indicate in such notice the applicable Quarterly Report Deadline or Budget Report Deadline. If the Developer or the District fails to provide to the Trustee the information in the Quarterly Report required to be provided by it by the applicable Quarterly Report Deadline, which results in the Trustee’s inability to provide a complete Quarterly Report to the MSRB within 55 days after the end of each calendar quarter (being March 31, June 30, September 30, and December 31) (each, a “Trustee Quarterly Filing Deadline”), then, as soon as practicable after the

Trustee Quarterly Filing Deadline, the Trustee shall promptly file such portion of the Quarterly Report as has been provided to it as of such date, and shall file or cause to be filed a notice in substantially the form attached as Appendix C with the MSRB. If the District fails to provide to the Trustee the Budget Report by the Budget Report Deadline, which results in the Trustee's inability to provide a complete Budget Report to the MSRB within 55 days after the end of the applicable calendar year (being December 31) (the "Trustee Budget Report Filing Deadline"), then, as soon as practicable after the Trustee Budget Report Filing Deadline, the Trustee shall file or cause to be filed a notice in substantially the form attached as Appendix C with the MSRB.

In addition to the foregoing, the Trustee shall, prior to the date of each filing of a Quarterly Report and Budget Report, determine the appropriate electronic format prescribed by the MSRB. After the Trustee files a Quarterly Report or Budget Report, or the notice described in the preceding paragraph with the MSRB, the Trustee shall upon request send a report to the District and the Developer stating the date that such report or notice was filed and listing all the entities to which it was provided.

(d) ***Means of Transmitting Information.*** Subject to technical and economic feasibility, the District and the Developer shall employ such methods of information transmission as the Trustee shall reasonably request. All documents provided to the MSRB pursuant to this Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Agreement, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

Section 4. Notice of Material Events. Whenever the District obtains actual knowledge of the occurrence of any of the following events, the District shall cause the Trustee to provide, in a timely manner, a notice of such event to the MSRB:

- (a) A delinquency in the payment of scheduled debt service of the Bonds;
- (b) A non-payment related default under the Indenture (if the District deems such default to be material to the Owners), including a description of such default;
- (c) A draw on the Reserve Fund; and
- (d) A modification of the rights of the Owners.

Whenever the Trustee obtains actual knowledge of the occurrence of any of the aforementioned events, the Trustee shall promptly notify the District of such event. For purposes of this paragraph, "actual knowledge" of the Trustee means actual knowledge by an officer of the Trustee having responsibility for matters regarding the Indenture or the Bonds.

Section 5. Termination. The obligations of the District and the Trustee under this Agreement shall terminate at such time as none of the Bonds are Outstanding under the Indenture. The obligations of the Developer under this Agreement shall terminate upon the

earlier to occur of: (a) the submittal of the first Quarterly Report after 47 single-family attached homes have been sold and closed to homeowners, or (b) none of the Bonds are Outstanding under the Indenture.

Section 6. Liability for Content of Information Provided. So long as the parties to this Agreement act in good faith, such entities shall not be liable for any errors, omissions or misstatements in the information provided pursuant to this Agreement.

Section 7. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may only be amended with the consent of the Consent Parties (as defined in the Indenture) or Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Section 8. Failure to Perform. Any failure by the District to perform in accordance with this Agreement shall not constitute an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of an Event of Default shall not apply to any such failure. If the District fails to comply with this Agreement, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations hereunder. If the Developer fails to comply with this Agreement, the District shall be obligated to provide the information that the Developer is obligated to provide hereunder, to the extent that such information is publicly available. Furthermore, if the Developer fails to comply with this Agreement, the sole remedy therefor shall be an action in mandamus or for specific performance to compel the Developer to comply with its obligations hereunder, to the extent the District has not otherwise satisfied such obligations as provided above.

Section 9. Severability. If any section, paragraph, clause, or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Agreement, the intent being that the same are severable.

Section 10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

Section 11. Compensation. As compensation for its services under this Agreement, the Trustee shall be compensated or reimbursed by the District for its reasonable fees and expenses in performing the services specified under this Agreement.

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the District, the Developer, the Trustee and the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Trustee. The Trustee shall have only such duties as are specifically set forth in this Agreement, and the District agrees, to the extent permitted by law, to indemnify and save the Trustee, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performances of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim or liability, but excluding liabilities due to the Trustee's intentional or negligent acts or omissions. The Trustee may resign as dissemination agent hereunder at any

time upon 30 days prior written notice to the District. The Trustee shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report or Budget Report) prepared by the Developer or the District pursuant to this Agreement. The obligations of the District under this Section shall survive resignation or removal of the Trustee and payment of the Bonds.

Section 14. Electronic Transactions and Execution. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. Without limiting the foregoing, the parties agree that in the event that any individual or individuals who are authorized to execute or consent to this Agreement, any Quarterly Report, any Budget Report, or any Notice of Failure to File Quarterly/Budget Report on behalf of the District, the Developer, or the Trustee, as applicable, are not able to be physically present to manually sign any of the foregoing list of documents, that such individual or individuals are hereby authorized to execute the same electronically via facsimile or email signature. This agreement by the parties to use electronic signatures is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to the foregoing list of documents shall carry the full legal force and effect of any original, handwritten signature.

Section 15. Counterparts. This Agreement may be executed on counterpart signature pages.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names, all as of the date first above written.

THE COMMONS AT EAST CREEK
METROPOLITAN DISTRICT, in the City of
Aurora, Arapahoe County, Colorado, as District

By Glenn Nier
President

MERITAGE HOMES OF COLORADO, INC., as
Developer

By Glenn Nier
Authorized Officer

UMB BANK, n.a., as Trustee

By Jonathan Fernandez
Authorized Officer

[Signature Page to Continuing Disclosure Agreement]

**APPENDIX A
(TO CONTINUING DISCLOSURE AGREEMENT)**

FORM OF QUARTERLY REPORT

\$1,495,000

**THE COMMONS AT EAST CREEK METROPOLITAN DISTRICT
(IN THE CITY OF AURORA)
ARAPAHOE COUNTY, COLORADO
GENERAL OBLIGATION
(LIMITED TAX CONVERTIBLE TO UNLIMITED TAX) BONDS
SERIES 2020A⁽³⁾**

Date of Report: _____, for Quarter ending: _____

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement (“Agreement”) entered into as of October 28, 2020, by and among The Commons at East Creek Metropolitan District, in the City of Aurora, Arapahoe County, Colorado (the “District”), Meritage Homes of Colorado Inc. (the “Developer”), and UMB Bank, n.a., Denver, Colorado, as trustee (the “Trustee”) for the General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2020A⁽³⁾ (the “Bonds”) or the Limited Offering Memorandum prepared in connection with the offer and sale of the Bonds dated as of October 21, 2020. Unless otherwise stated, all information contained herein is the most current information available as of the Date of Report specified above and is provided with respect to development within the boundaries of the District.

Section 1. Residential Development [Developer to complete].

Please fill in the following table with respect to the residential sales and construction activity for the Development, as of the end of the calendar quarter for which this Quarterly Report is provided.

Summary of Planned Development ¹

Filing	Builder	Homes Planned	Ownership Status			
			Owned by Developer	Homes Under Construction by Developer ²	Homes under Contract to Homeowners	Homes Closed and Sold to Homeowners
No. 1	Developer	<u>50</u>	—	—	—	—
Total		<u>50</u>	—	—	—	—
% of Total		100%	_____%	_____%	_____%	_____%

¹ As of _____, 20__.

² Includes homes that are included in the column labeled “Homes under Contract to Homeowners.”
Source: the Developer and publicly available records of the County

Section 2. Fund Balances [District to complete, based upon information received from the Trustee]. The amount on deposit in each of the following funds is as set forth below:

- (a) the amount on deposit in the Project Fund is \$ _____;
- (b) the amount on deposit in the Bond Fund is \$ _____;
- (c) the amount on deposit in the Reserve Fund is \$ _____; and
- (d) the amount on deposit in the Surplus Fund is \$ _____;

Section 3. Authorized Denominations [District to complete].

The Bonds are presently outstanding in Authorized Denominations (as defined in the Indenture) of:

_____ \$500,000 or any integral multiple of \$1,000 in excess thereof; or

_____ Pursuant to paragraph (c) of the definition of Authorized Denominations in the Indenture, the Authorized Denominations were reduced to \$1,000 or any integral multiple thereof on _____ [insert date].

Section 4. Additional District Financial Information [District to complete annually only; to be submitted in Quarterly Report for the calendar quarter ending September 30].

The District shall update the following tables included in the Limited Offering Memorandum to the extent such information for the most recent year is not otherwise provided in the District's Audited Annual Financial Statements (if the District is required to cause an audit to be performed under State statute). If a table is not provided in the Limited Offering Document, then the District shall create a table reflecting such information for inclusion as part of this Quarterly Report. With the exception of the information required by clauses (a) (with respect to the District's mill levies) and (c) below, such information shall be required to be provided solely to the extent provided by the County Assessor upon request of the District.

- (a) History of the District's Assessed Valuation and Mill Levies
_____ attached _____ provided in Audited Annual Financial Statements
- (b) Assessed and "Actual" Valuation of Classes of Property in the District
_____ attached _____ provided in Audited Annual Financial Statements
- (c) Historical Property Tax Collections in the District
_____ attached _____ provided in Audited Annual Financial Statements

Section 5. Attached Quarterly District Financial Information [District to complete]. Quarterly information listed below need not be included for the calendar quarter ending December 31 if such information is included in the annual information set forth in Section 6 below. The following information for which the appropriate box is checked is attached to this Quarterly Report:

_____ Unaudited quarterly financial statements for the District for the period ending _____.

_____ Year-to-date actual budget, compared with adopted budget, for the District's _____ General Fund, _____ Debt Service Fund and _____ Capital Projects Fund, as of _____, _____, and _____, [insert dates] respectively.

_____ Report(s) of the District's accountant issued since the last Quarterly Report.

_____ Any other report(s) relating to the District's activities or its condition submitted to any governmental agency or prepared for delivery to a third party since the last Quarterly Report.

Section 6. Attached Annual District Financial Information [District to complete]. Each of the annual information items set forth below must be provided only once each year. Audited Annual Financial Statements (if the District is required to cause an audit to be performed under State statute) shall be provided with, and no later than, the appropriate Quarterly Report. The following information for which the appropriate box is checked is attached to this Quarterly Report:

_____ Audited Annual Financial Statements of the District (if the District is required to cause an audit to be performed under State statute) for the year ending _____. (Must be provided with the September 30 Quarterly Report).

_____ Unaudited annual financial statements of the District for the year ending _____. (Must be provided with the March 31 Quarterly Report of the immediately succeeding year).

_____ Annual budget of the District for fiscal year _____. Such annual budget _____ has _____ has not been adopted by the Board of Directors of the District. (Must be provided with the December 31 Quarterly Report if not provided with the Budget Report).

[Signature/Certification on Following Page]

The information contained in this Quarterly Report has been obtained from sources that are deemed to be reliable but is not guaranteed as to accuracy or completeness. The information contained in this Quarterly Report is neither intended nor shall be construed as a document updating the Limited Offering Memorandum for the Bonds and is neither intended to, nor shall it be, used by the Owners or Beneficial Owners of the Bonds for the purpose of making a subsequent investment decision with respect to the Bonds.

Receipt of this Quarterly Report by any person or entity shall create no obligation or liability of the District or the Developer.

The undersigned hereby certify, respectively, that they are authorized representatives of the District and the Developer and, further certify that the information contained in the foregoing Quarterly Report is, to the best of their knowledge, true, accurate and complete. This Quarterly Report may be executed below on counterpart signature pages.

THE COMMONS AT EAST CREEK
METROPOLITAN DISTRICT, in the City of
Aurora, Arapahoe County, Colorado, as District

By _____
President

MERITAGE HOMES OF COLORADO, INC., as
Developer

By _____
Authorized Officer

[Signature/Certification Page to Quarterly Report]

**APPENDIX B
(TO CONTINUING DISCLOSURE AGREEMENT)**

FORM OF BUDGET REPORT

**\$1,495,000
THE COMMONS AT EAST CREEK METROPOLITAN DISTRICT
(IN THE CITY OF AURORA)
ARAPAHOE COUNTY, COLORADO
GENERAL OBLIGATION
(LIMITED TAX CONVERTIBLE TO UNLIMITED TAX) BONDS
SERIES 2020A⁽³⁾**

Date of Report:_____

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement (“Agreement”) entered into as of October 28, 2020, by and among The Commons at East Creek Metropolitan District, in the City of Aurora, Arapahoe County, Colorado (the “District”), Meritage Homes of Colorado Inc. (the “Developer”), and UMB Bank, n.a., Denver, Colorado, as trustee (the “Trustee”) for the above-captioned bonds (the “Bonds”). Unless otherwise stated, all information contained herein is the most current information available as of the Date of Report specified above.

Section 1. Adopted Budget. Attached hereto is the annual budget for the District for the fiscal year ending December 31, 20__, adopted by the Board of Directors of the District on ____, 20__. Included in, or attached to, such budget is evidence of the certification by the District of the mill levies specified in Section 4 below.

Section 2. Assessed Value and Actual Value.

(a) *Assessed Value.* The current assessed value of the District, as published or certified by the county assessor of Arapahoe County, Colorado (the “Assessor”) is \$_____, as certified as of December 10, 20__.

(b) *Actual Value.* The current “actual value” of the District, as such term is used and published or certified by the Assessor is \$_____, as certified as of December 10, 20__.

Section 3. Surplus Fund [District to complete, based upon information received from the Trustee].

(a) The amount on deposit in the Surplus Fund, *as of the date of certification of the mill levies described below*, is \$_____.

(b) The Surplus Fund has been terminated and all amounts therein have been remitted to the District for application to any lawful purpose of the District because the Conversion Date occurred on [INSERT DATE OF TERMINATION IF APPLICABLE]: Yes _____ No _____. If the Conversion Date has occurred but such moneys have

not been remitted to the District for application to any lawful purpose of the District, please explain. _____.

Section 4. Mill Levies.

(a) *Mill Levy Certification.* The District certified a mill levy of _____ mills on _____ [insert date] to the Assessor, comprised of the following mills:

(i) _____ mills for debt service, comprised of the Required Mill Levy (_____ mills); and

(ii) _____ mills for operations (general fund).

(b) *Calculations under Indenture.* In determining the debt service mill levy required to be imposed with respect to the Bonds, the District took into account:

(i) the amount on deposit in the Surplus Fund (check one): _____ is _____ is not equal to at least the Maximum Surplus Amount;

(ii) the amount on deposit in the Reserve Fund (check one): _____ is _____ is not equal to at least the Required Reserve; and

(ii) the amount of \$ _____ on deposit in the Bond Fund.

(c) *Conversion Date.* The District achieved the Senior Debt to Assessed Ratio of 50% or less on [indicate date if applicable, or indicate not applicable] [and, as a result, the Conversion Date has occurred and the Required Mill Levy for the Bonds is now determined pursuant to clause (b) of the definition thereof]. If the District achieved the Senior Debt to Assessed Ratio of 50% or less, but the Conversion Date did not occur, please explain.

[Signature/Certification on Following Page]

The information contained in this Budget Report has been obtained from sources that are deemed to be reliable but is not guaranteed as to accuracy or completeness. The information contained in this Budget Report is neither intended nor shall be construed as a document updating the Limited Offering Memorandum for the Bonds, and is neither intended to, nor shall it be, used by the Owners or Beneficial Owners of the Bonds for the purpose of making a subsequent investment decision with respect to the Bonds.

Receipt of this Budget Report by any person or entity shall create no obligation or liability of the District.

The undersigned hereby certifies that he/she is an authorized representative of the District and, further certifies that the information contained in the foregoing Budget Report is, to the best of his/her knowledge, true, accurate and complete.

THE COMMONS AT EAST CREEK
METROPOLITAN DISTRICT, in the City of
Aurora, Arapahoe County, Colorado, as District

By _____
Authorized Representative

[Signature/Certification Page to Budget Report]

**APPENDIX C
(TO CONTINUING DISCLOSURE AGREEMENT)**

NOTICE OF FAILURE TO FILE QUARTERLY REPORT/BUDGET REPORT

**\$1,495,000
THE COMMONS AT EAST CREEK METROPOLITAN DISTRICT
(IN THE CITY OF AURORA)
ARAPAHOE COUNTY, COLORADO
GENERAL OBLIGATION
(LIMITED TAX CONVERTIBLE TO UNLIMITED TAX) BONDS
SERIES 2020A⁽³⁾**

CUSIPS: 202682 AA8

Date of Issuance: October 28, 2020

NOTICE IS HEREBY GIVEN that the (check as appropriate) ____ District ____ Developer has not provided a [Quarterly Report][Budget Report] with respect to the above-captioned Bonds that was due _____, as required by the Continuing Disclosure Agreement dated October 28, 2020, by and among the District, the Developer, and the Trustee. The (check as appropriate) ____ District ____ Developer anticipates that such [Quarterly Report][Budget Report] will be filed by _____.

Dated: _____, _____

UMB Bank, n.a., as Trustee

By: _____
Its: _____

EXHIBIT B

COMPLIANCE PROCEDURE

The Commons at East Creek Metropolitan District, Arapahoe County, Colorado
\$1,495,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2020A(3)

Subject to SEC Rule 15c2-12: NO

FINANCIAL DISCLOSURES	
Submittal Date to Trustee	Required Documentation Prepared By:
Quarterly Reports <ul style="list-style-type: none"> February 15 May 15 August 15 November 15 (commencing November 15, 2020)	Section 1 of the Quarterly Report, Residential Development: <i>Meritage Homes of Colorado, Inc.</i> ("Developer") to provide to <i>Simmons & Wheeler, P.C., District Accountant</i> ("S&W") at least thirty (30) days prior to submittal date all information required for Section 1.
	Section 2 of the Quarterly Report, Fund Balances: S&W to obtain information from Trustee
	Section 3 of the Quarterly Report, Authorized Denominations: S&W
	Section 4 of the Quarterly Report, Additional District Financial Information: S&W to complete annually, to be submitted in November 15 th Quarterly Report.
Annual Reporting Requirements (to be included in the Quarterly Reported noted)	Section 5 of the Quarterly Report, Quarterly District Financial Information: S&W Need not be included for the fourth quarter if such information is included in the annual information set for in Section 6
	Section 6 of the Quarterly Report, Annual District Financial Information: S&W / <i>District Auditor</i> <ul style="list-style-type: none"> Audited Annual Financial Statements (due with the November 15 Quarterly Report) Unaudited annual financial statements (due with the May 15 Quarterly Report) Annual Budget (due with the February 15 Quarterly Report, if not provided with the Budget Report)
Budget Report <ul style="list-style-type: none"> February 15 (commencing February 15, 2021)	Budget Report S&W

Procedure:

1. S&W will prepare the reports.
2. S&W will submit the reports to UMB Bank, n.a. ("**Trustee**") on the applicable submittal date and will copy McGeady Becher P.C. on the submittal.

NOTICE OF MATERIAL EVENT		
Reporting / Submittal Deadlines	Responsible Party to Report Event of Default	Party Responsible to Notify Trustee of Event of Default
District shall cause the Trustee to provide, in a timely manner, a notice of an event of default	SDMS, S&W, McGeady Becher, UMB Bank, or anyone who has actual knowledge of a material event	S&W / McGeady Becher