HERITAGE HILLS METROPOLITAN DISTRICT
c/o Fromm & Company
Phone: (303)223-4978
https://heritagehillsmetro.specialdistrict.org
NOTICE OF REGULAR MEETING AND AGENDA

DATE: Friday, November 13, 2026

TIME: 8:15 a.m.

LOCATION: 9201 S Heritage Hills Pkwy
Lone Tree, CO 80124
And via Zoom

ACCESS: To attend via Zoom Videoconference, use the link below:
https://us06web.zoom.us/j/87379592690
Meeting ID: 873 7959 2690
+17207072699, 87379592690# US (Denver)

Board of Directors	Office	Term Expires
Shaun Seales	President	May, 2029
Brad Dodds	Vice-President	May, 2027
Jerome Dyck	Treasurer	May, 2027
Paul Strickland	Secretary	May, 2029
Heath McLaughlin	Assistant Secretary	May, 2029

I. ADMINISTRATIVE MATTERS

A. Call to order.

B. Confirm quorum, location of meeting and posting of meeting notices.

C. Additions/deletions and approval of agenda. ***(See below)**

II. DIRECTOR MATTERS

A. Consider Director McLaughlin's Motion to Exclude Fromm & Co from executive sessions.

III. EXECUTIVE SESSION

A. Executive Session to receive legal advice on: (1) finance and budgeting matters, including the assessment, collection, retention, and spending of property taxes, the Taxpayer's Bill of Rights, and statutory requirements; and (2) vendor contracts pursuant to Section 24-6-402(4)(b), C.R.S.

IV. PUBLIC COMMENT **(See rules below)

V. CONSENT AGENDA

A. Approval of Minutes from October 9, 2026, Regular Meeting. (enclosure)

B. Approval of Minutes from October 16, 2026, Special Meeting. (enclosure)

C. Approval of Summary of October 16, 2026, Work Session: 2027 Budget. (enclosure)

D. Approval of Minutes from October 30, 2026, Special Meeting. (enclosure)

VI. SERVICE PROVIDER REPORTS

A. Security Report.

B. Engineering Report

   a. Willow Creek Trail Lighting Project.

   b. Overlook Park Pavilion Project.

   c. 2024 Roadway and Sidewalk Improvements (The Ridge) Project, Closeout.

   d. Merrick, Brick Wall, and Property Survey – Proposal. (enclosure)

C. Landscaping Report

   a. November Maintenance Report. (enclosure)

   b. Planters and Gate House Beds: Winter Displays – Proposal. (enclosure)

   c. Installation of Rock, along Yosemite – Proposal. (enclosure)

   d. 2027 Maintenance, including Irrigation – Proposal. (enclosure)

VII. MANAGER MATTERS

A. Project Manager Report.

VIII. FINANCIAL MATTERS

A. Review and ratify approval of interim claims. (enclosure)

B. Review and consider the acceptance of the unaudited, September 30, 2026, Financial Statements, Variance Report, Schedule of Cash Position and Property Tax Schedule. (enclosure)

C. CLA – Cash Flow Access Memo. (enclosure)

D. 2026 Audit Engagement Letter. (enclosure)

IX. LEGAL MATTERS

A. Request to change regular meeting start time to 9 a.m.

X. PUBLIC HEARING – PROPOSED 2027 BUDGET

A. Conduct Public Hearing on the Proposed 2027 Budget

a. Budget Presentation – CLA. (enclosure)

b. Public Comment. ****(See rules below)**

c. Potential action on Proposed 2027 Budget.

XI. OTHER BUSINESS

A. Potential action regarding Flock contact – Discussion.

XII. ADJOURNMENT

Potential Changes to this Agenda

At this time, the Board may amend the agenda to remove or change any item listed on the agenda, add any new agenda item to the agenda, or reorder the agenda items. The Board may also table any agenda item for later discussion or reorder the agenda items at any time during the meeting if necessary to provide for the efficient conduct of the Board meeting.

****Public Comment Rules*:**

1. Public comments are not limited to agenda items, but they must be relevant to the District.
2. Each speaker has 3 minutes. Total time for public comment is 15 minutes. Only one speaker will be acknowledged at a time and may speak only once. A speaker may not give part of their time to another speaker.
3. Speakers are prohibited from engaging in personal attacks, using profanity, or engaging in other conduct if it disrupts, disturbs, or otherwise impedes the orderly and efficient conduct of the meeting. Also prohibited are overly long, unduly repetitious, or irrelevant remarks if they disrupt, disturb, or otherwise impede a meeting by preventing the Board from accomplishing its business in a reasonably efficient manner.

CONSENT AGENDA

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
HERITAGE HILLS METROPOLITAN DISTRICT (THE "DISTRICT")
HELD
OCTOBER 9, 2026

A regular meeting of the Board of Directors of the Heritage Hills Metropolitan District (referred to hereafter as the "Board") was convened on October 9, 2026, at 8:15 a.m., at the Heritage Hills Clubhouse, 9201 Heritage Hills Parkway, Lone Tree, Colorado 80124, and via ZOOM. The meeting was open to the public.

ATTENDANCE:

Directors in attendance were:
Shaun Seales, President
Brad Dodds, Vice-President
Jerome Dyck, Treasurer
Heath McLaughlin, Assistant Secretary

Absent was Director Paul Strickland.

Also, in attendance were:

Leigh Dufresne, Ricardo Garcia, Johnny Jiminez, Sustainable Roots Landscape Company ("Sustainable Roots")
Carson Besgrove, Merrick & Company ("Merrick")
Alonso Duran Rodríguez, CliftonLarsonAllen LLP ("CLA")
Steve Fromm, Cathy Fromm and Chasity McKinnon, Fromm & Company LLC ("Fromm")
Matt Clarkson, Wizard Works Security Services ("Wizard Works")
James Silvestro and Dino Ross, Ireland, Stapleton, Pryor & Pascoe, P.C. ("ISPP")
Members of Public: Darrin Tucker, Faith Walters, Katie Braden, and Jill Clark.

ADMINISTRATIVE MATTERS:

Call to Order

The meeting was called to order at 8:18 a.m.

Disclosures of Potential Conflicts of Interest

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made

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by the Board members prior to this meeting in accordance with statute. No additional conflicts were disclosed at the meeting.

Quorum, Location of Meeting Posting of Meeting Notice

A quorum was confirmed, and the meeting and location were approved and noticed as required pursuant to Colorado law.

Approval of Agenda

Upon motion by Director Dodds, seconded by Director McLaughlin and, upon vote, unanimously carried, the Board approved the agenda as presented.

New Legal Counsel – Introduction

The Board introduced Mr. Dino Ross and Mr. James Silvestro of Ireland, Stapleton, Pryor & Pasco, P.C., as the District's new legal counsel. The attorneys provided an overview of their approach to legal representation and discussed upcoming District matters, including a special TABOR meeting, public records policy updates, and potential Board training.

PUBLIC COMMENT:

Resident comments included concerns regarding vendor selection procedures, transparency, and the District revenue and spending issues related to TABOR.

CONSENT AGENDA:

Minutes from September 11, 2026, Regular Meeting of the Board

Upon motion by Director Dodds, seconded by Director McLaughlin and, upon vote, unanimously carried, the Board approved the meeting minutes, as presented.

SECURITY MATTERS:

Security, Gates, and Barrier Arm System

The Board discussed options presented by Mr. Clarkson to improve vehicle positioning at the security gates. Following discussion and upon motion by Director Dodds, seconded by Director Seales and, upon vote, unanimously carried, the Board approved the painting of a directional arrow on the concrete to guide vehicles to the proper activation point, with additional modifications to be considered if necessary.

Additional topics included security gate improvements at Willow Creek Trail and pending electrical installation, upcoming gate maintenance and the Board providing direction regarding modifications to the Lincoln exit gate to prevent unauthorized entry. Options to prevent entry via exit gate included a longer gate arm and a freestanding planter. Discussion ensued regarding the planter option with an estimated cost

of $500. Director McLaughlin indicated that he would research this option further and return to the Board with a proposal.

Discussion was held regarding keeping the security gates open from 3:00 p.m. to 10:00 p.m. on October 30th and 31st to accommodate Halloween activities. Upon motion by Director Seales and seconded by Director McLaughlin, and upon vote, unanimously carried, the Board approved keeping the security gates open during the proposed dates and times.

Discussion was held regarding the high volume of resident inquiries received following the Community by MyQ communication email distribution. Additional discussion included reducing Metro District support costs and the option for residents to pay directly for support services for Fromm & Company, which was not favored by the Board.

Director Seales expressed appreciation for the prompt repairs to the Lincoln guardhouse following damage caused by a truck.

LANDSCAPING MATTERS:

October Maintenance Report

Landscape updates included the season's final mowing schedule, completion of tree pruning, winter preparations, upcoming median conversion work, and the flagging of moisture manager test areas.

Snow Removal Services

Ms. Dufresne presented snow removal plans and priority maps for the community. Discussion included snow removal procedures, speed bumps, and salt application in the Overlook area. Following discussion and upon motion by Director Seales and seconded by Director McLaughlin, and upon vote, unanimously carried, the Board approved moving forward with the Sustainable Roots proposal for snow removal services.

Overlook Cul-De-Sac Landscaping Modifications – Proposal

Ms. Dufresne presented proposed landscape improvements to the open space and Overlook Cul-De-Sac area. Discussion ensued and upon motion by Director McLaughlin and seconded by Director Dodds, and upon vote, unanimously carried, the Board approved the landscape improvements at a cost not to exceed $6,000.

Holiday Lighting – Proposal

The Board discussed holiday lighting proposal, rising costs, and potential long-term alternatives, including permanent lighting options and separating holiday lighting from landscape services in 2027. Following discussion and upon motion by Director Seales and seconded by Director McLaughlin, and upon vote, unanimously carried, the Board approved the holiday lighting proposal.

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Gatehouse Beds: Winter Displays – Proposal

The Board also discussed seasonal decorations for the gatehouses and reviewing lighting arrangements following installation. Following discussion and upon motion by Director Seales and seconded by Director Dodds, and upon vote, with one director abstaining, the majority of the Board approved seasonal decorations for the gatehouse beds, with installation in November and removal in January.

Additional discussion included early testing of holiday lighting displays, coordination with the HOA, and exploring permanent lighting options with Sustainable Roots.

Winter Tree Watering – Proposal

The Board discussed winter tree watering, with watering to continue through November and December and be adjusted in January and February based on weather conditions. After further discussion and upon motion by Director Seales and seconded by Director Dodds, and upon vote, unanimously carried, the Board approved the proposed winter tree watering schedule.

Additional landscaping updates included discussion regarding completed aeration and overseeding and a report of September water usage at 54%.

ENGINEERING MATTERS:

Willow Creek Trail Project

Mr. Besgrove reported that with fencing acceptance granted September 8th, that underground work is anticipated in November, and lighting installation is scheduled for December.

Overlook Park Pavilion Project

Mr. Besgrove reported that the Overlook Park Pavilion permit was issued September 14th, with construction behind schedule due to permitting delays. Foundation work is expected to begin Saturday, weather permitting, and Ground Engineering soils report was good.

Heritage Hills 2024 Roadway and Sidewalk Improvements Project

Mr. Besgrove reported that the Ridge 2024 Roadway and Sidewalk Improvements Project are nearing final acceptance, pending further evaluation of minor concrete cracks. Discussion also included unauthorized homeowner sidewalk repairs and establishing a work order and inspection process for repairs affecting District property.

The Board discussed the potential need for a comprehensive survey to confirm the location of brick walls within the District and to specifically confirm which walls are and are not on District property. The estimated cost for this work is $100,000. The Board directed Mr. Besgrove to provide a formal proposal for this potential work.

MANAGER MATTERS:

Mr. Fromm discussed moving Engineering Matters higher on future meeting agendas, replacing fourteen dog waste stations at a cost of $100 each, and monument lighting improvements. Additional discussion included the Board's preference not to offer pavilion rentals at this time, proposed crack sealing at an estimated cost of $2,000, and Xcel Energy's streetlight replacement options, associated costs, and lighting aesthetics. Following discussion, Mr. Silvestro agreed to explore alternatives for street lighting options through Xcel.

The Board scheduled a special meeting for October 16th at 9:30 a.m. for TABOR discussion, followed by a budget work session from 10:30 a.m. to 1:30 p.m. Mr. Duran Rodriguez anticipated providing the draft budget by October 15th, with final adoption required on or before December 15th. Discussion also included potential brick wall maintenance liabilities for future budget consideration and financial planning.

FINANCIAL MATTERS:

Review and Ratify Approval of Interim Claims

The Board reviewed interim claims totaling $184,354. After further discussion and upon motion by Director Seales and seconded by Director Dodds, and upon vote carried, with one Director abstaining, the Board majority approved the interim claims totaling $184,354.

Review and Consider Acceptance of the Variance Report, Schedule of Cash Position and Property Tax Schedule.

The Board reviewed the financial reports, with the General Funds reflecting 67% of the annual budget and 20.15% of the capital budget expended. ColoTrust balance of $5.9 million, earning 3.8172% interest, and property tax collections at 98.85%. After further discussion and upon motion by Director Seales and seconded by Director Dodds, and upon vote, unanimously carried, the Board approved the financial reports, as presented.

Additional discussion was held regarding a $12,000 ANA billing dispute, and concerns over potentially disputed invoices being paid prematurely.

LEGAL MATTERS:

Ratify President Seales' Signing of Legal Services Engagement Letter

The Board reviewed the engagement letter with Ireland, Stapleton, Pryor & Pasco, P.C., as District legal counsel and discussed utilizing an independent third party to conduct the May 2027 Board of Directors election. After further discussion and upon motion by Director Seales and seconded by Director Dodds, and upon vote, unanimously carried, the Board ratified the legal engagement letter. The Board also considered Mr. Ross and Mr. Silvestro's recommendation that the Board explore engaging a third-party

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elections consultant to assist with the District's regular election in May 2027. The Board directed legal counsel to obtain proposals for such services.

An additional discussion was held regarding a proposed Board member training in early 2027. The Board agreed to revisit this at a later date.

PUBLIC COMMENT:

Residents expressed concerns regarding the brick wall project, snow removal services, billing practices, and the vendor selection process for holiday lighting.

OTHER BUSINESS:

Quorum for November 13, 2026, Regular Meeting of the Board

A quorum was confirmed for the next regular meeting scheduled for November 13, 2026.

ADJOURNMENT:

There being no further business to come before the Board at this time, upon a motion made by Director Seales, seconded by Director Dodds and upon vote, unanimously carried, the meeting was adjourned at 11:54 a.m.

Respectfully submitted,

By _____
Secretary for the Meeting

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MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
HERITAGE HILLS METROPOLITAN DISTRICT (THE "DISTRICT")
HELD
OCTOBER 16, 2026

A special meeting of the Board of Directors of the Heritage Hills Metropolitan District (referred to hereafter as the "Board") was convened on October 16, 2026, at 9:30 a.m., via Zoom. The meeting was open to the public.

ATTENDANCE:

Directors in attendance were:
Brad Dodds, Vice-President
Jerome Dyck, Treasurer
Paul Strickland, Secretary
Heath McLaughlin, Assistant Secretary

Absent was Director Shaun Seales.

Also, in attendance were:

Steve Fromm, Cathy Fromm and Chasity McKinnon, Fromm & Company LLC ("Fromm")
Dino Ross and James Silvestro, Ireland Stapleton Pryor & Pascoe, P.C. ("ISPP")

ADMINISTRATIVE MATTERS:

Call to Order

The meeting was called to order at 9:37 a.m.

Disclosures of Potential Conflicts of Interest

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. No additional conflicts were disclosed at the meeting.

Quorum, Location of Meeting Posting of Meeting Notice
A quorum was confirmed, and the meeting and location were approved and noticed as required pursuant to Colorado law.

Approval of Agenda

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Upon motion by Director Dodds, seconded by Director Dyck and, upon vote, unanimously carried, the Board approved the agenda as presented.

LEGAL MATTERS:

Executive Session

Upon motion made by Director Dodds, seconded by Director McLaughlin and, upon vote, unanimously carried, the Board agreed to enter into executive session at 9.39 a.m. for the purpose of receiving legal advice on finance and budgeting matters, including the assessment, collection, retention, and spending of property taxes, the Taxpayer's Bill of Rights, and statutory requirements, pursuant to Section 24-6-402(4)(b), C.R.S. Legal counsel confirmed that because the purpose of the Executive Session would be for legal advice pursuant to Section 24-6-402(4)(b), C.R.S., that the Executive Session would not be recorded.

The Board exited executive session at 10:48 a.m.

The Board confirmed that no action was taken during Executive Session.

ADJOURNMENT:

There being no further business to come before the Board at this time, upon a motion made by Director Strickland, seconded by Director McLaughlin and upon vote, unanimously carried, the meeting was adjourned at 10:49 a.m.

Respectfully submitted,

By _____
Secretary for the Meeting

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SUMMARY OF PROCEEDINGS

WORK SESSION
THE BOARD OF DIRECTORS OF THE
HERITAGE HILLS METROPOLITAN DISTRICT (THE "DISTRICT")
HELD
OCTOBER 16, 2026

A 2027 Budget Work Session held of the Board of Directors of Heritage Hills Metropolitan District (referred to hereafter as the "Board") was convened on, Friday, October 16, 2026, at 10:30 a.m., or as soon thereafter, at the Heritage Hills Clubhouse, 9201 Heritage Hills Parkway, Lone Tree, Colorado 80124, and via ZOOM. The Work Session was open to the public.

ATTENDANCE:

Directors in attendance were:
Brad Dodds, Vice-President
Jerome Dyck, Treasurer
Paul Strickland, Secretary
Heath McLaughlin, Assistant Secretary

Absent was Director Shaun Seales.

Also, in attendance were:

Steve Fromm, Cathy Fromm and Chasity McKinnon, Fromm & Company LLC ("Fromm")
Dino Ross and James Silvestro, Ireland Stapleton Pryor & Pascoe, P.C. ("ISPP")
Alonso Duran Rodriguez, CliftonLarsonAllen LLP ("CLA")

ADMINISTRATIVE MATTERS:

Call to Order

The work session was called to order at 10:57 a.m.

Quorum, Location of Meeting Posting of Meeting Notice

A quorum was confirmed, and the meeting and location were approved and noticed as required.

2027 Budget Discussion

Mr. Duran Rodrigez presented a draft of a proposed 2027 Budget.

Discussion was held regarding the Proposed 2027 Budget.

Other Matters

There were no other matters discussed and no action was taken.

The work session ended at 1:13 p.m.

Respectfully submitted

By_____

Secretary for the Meeting

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MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
HERITAGE HILLS METROPOLITAN DISTRICT (THE "DISTRICT")
HELD
OCTOBER 30, 2026

A special meeting of the Board of Directors of the Heritage Hills Metropolitan District (referred to hereafter as the "Board") was convened on October 30, 2026, at 12:30 p.m., via Zoom. The meeting was open to the public.

ATTENDANCE:

Directors in attendance were:
Shaun Seales, President
Brad Dodds, Vice-President
Paul Strickland, Secretary
Heath McLaughlin, Assistant Secretary

Absent was Director Jerome Dyck.

Also, in attendance were:

Steve Fromm, Cathy Fromm and Chasity McKinnon, Fromm & Company LLC ("Fromm")
Dino Ross and James Silvestro, Ireland Stapleton Pryor & Pascoe, P.C. ("ISPP")
Members of the Public: Jill Clark and Mark Deorio.

ADMINISTRATIVE MATTERS:

Call to Order

The meeting was called to order at 12:32 p.m.

Disclosures of Potential Conflicts of Interest

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. No additional conflicts were disclosed at the meeting.

Director McLaughlin expressed concerns regarding District Management's participation in Executive Sessions convened for the purpose of obtaining legal advice from the District's legal counsel. Director Seales made a motion to table consideration of this issue until a subsequent Board Meeting. The motion was seconded by Director Strickland. Upon a vote opposed by Director McLaughlin and supported by all other present Directors, this motion passed by a vote of 3 to 1.

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Director McLaughlin departed the meeting at 12:47 p.m. and did not participate in any further proceedings.

Quorum, Location of Meeting Posting of Meeting Notice

A quorum was confirmed, and the meeting and location were approved and noticed as required pursuant to Colorado law.

Approval of Agenda

Upon motion by Director Strickland, seconded by Director Dodds and, upon vote, unanimously carried, the Board approved the agenda as presented.

LEGAL MATTERS:

The Board discussed concerns that the public raised regarding potential Board action following the Executive Session that was included on the meeting agenda. After further discussion and upon motion by Director Seales and seconded by Director Dodds, and upon vote, unanimously carried, the Board confirmed that it would not take any action during this meeting following Executive Session.

Executive Session

Upon motion made by Director Seales, seconded by Director Strickland and, upon vote, unanimously carried, the Board agreed to enter into executive session at 1:05 p.m. for the purpose to receive legal advice on: (1) finance and budgeting matters, including the assessment, collection, retention, and spending of property taxes, the Taxpayer's Bill of Rights, and statutory requirements; and (2) vendor contracts, pursuant to Section 24-6-402(4)(b), C.R.S. Legal counsel confirmed that because the purpose of the Executive Session would be for legal advice pursuant to Section 24-6-402(4)(b), C.R.S., that the Executive Session would not be recorded.

The Board exited executive session at 2:42 p.m.

The Board confirmed that no action was taken during Executive Session.

ADJOURNMENT:

There being no further business to come before the Board at this time, upon a motion made by Director Seales, seconded by Director Dodds and upon vote, unanimously carried, the meeting was adjourned at 2:43 p.m.

Respectfully submitted,

By _____
Secretary for the Meeting

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SECURITY MATTERS

ENGINEERING

PROPOSAL FOR THE

HERITAGE HILLS BRICK WALL AND PROPERTY SURVEY

NOVEMBER 4, 2026

PROJECT DESCRIPTION

Merrick & Company (Merrick) is pleased to present this proposal for Professional Survey Services for the Heritage Hills Brick Wall and Property Survey Project in Lone Tree, Colorado. It is Merrick's understanding that the Heritage Hills Metropolitan District (HHMD) would like to collect survey data on the existing brick wall within the neighborhood that borders HHMD property. For these sections of brick wall Merrick will locate property pins for homeowner properties along the brick wall alignment. Merrick estimates the total wall length is approximately 14,965 linear feet bordering approximately 138 homeowner properties. The attached exhibit shows the sections of walls to be surveyed and mapped.

SCOPE OF SERVICES

Merrick shall perform the following Scope of Services:

1. **Design Survey**
   Design survey including:
   - Brick wall survey – brick column center point on one side of the wall, panel center point on one side of the wall, angle points on one side of the wall and end points.
   - Property pins – survey of the front of lot property pins. It is assumed the front of lot pins exist and are locatable. It is assumed surveyors will not have to enter homeowners backyards.

2. **Wall and Property Boundary Map Preparation**
   Based on the survey data and measured wall dimensions a map will be prepared presenting the wall layout, property boundaries and property labels.

SCHEDULE

Upon receiving notice to proceed, it is anticipated Merrick will be able to start the Scope of Services within four weeks. It is anticipated the Scope of Services will take approximately 12 weeks to complete.

EXCLUSIONS

The following services and any services not specifically described in the Scope of Services, are not included in Merrick's basic service. An undertaking for Additional Services shall not be presumed by course of conduct or custom in the industry. Additional Services may be provided if authorized by Client in writing. Additional Services shall be paid by client as provided in the Agreement, in addition to the compensation for Merrick's basic services.

1. Analysis of the structural integrity of existing infrastructure
2. Grading, Erosion, and Sediment Control (GESC) Drawings.

3. Obtaining permits
4. Public and homeowner coordination
5. Retaining wall, handrail, screen wall, and landscape wall design
6. Test holes
7. Title reports
8. Traffic control plans
9. Utility locates
10. Setting survey monuments
11. Legal descriptions and plats
12. Easement coordination

COMPENSATION

Merrick proposes to provide the Scope of Services on a Time and Expenses (T&E) basis in accordance with the Merrick Standard Hourly Billing Rates in effect at the time services are rendered and costs are incurred.

Based on the scope of services presented herein, our budget would be Not to Exceed ***$88,000.00*** without prior authorization.

	BRICK WALL LENGTH (LINEAR FEET)	
Section 1 Survey	2,385	$14,000
Section 2 Survey	3,150	$18,500
Section 3 Survey	1,535	$9,000
Section 4 Survey	455	$2,700
Section 5 Survey	3,064	$18,000
Section 6 Survey	2,722	$16,000
Section 7 Survey	570	$3,400
Section 8 Survey	1,084	$6,400
TOTAL	14,965	$88,000

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MERRICK®

HERITAGE HILLS METROPOLITAN DISTRICT
BRICK WALL EXHIBIT

DATE: 10/28/2026

SHEET: 1 OF 1
20

File Location:Q:\DEN\Projects\1576-00 Heritage Hills Metro District\CAD\Exhibits\Brick Walls\Overall Wall Map.dwg Plot Date:11/4/2026 3:26 PM Last Saved By: CARSON.BESGROVE

LANDSCAPING

SUSTAINABLE ROOTS
LANDSCAPE CO.

Monthly Landscape Report

Property: HHMD

Date: 11/2/2026

	Property Maintenance	**Fall clean-up #1 will be performed in mid November**
	Turf Care	**NA**
	Trees Care	**Winter watering of trees will begin late November depending on moisture levels in soil**
	Special Projects	**Neighborhood median rock and mulch installation is complete. We will plan to install plant material in spring.** **Pricing to add rock along the Yosemite beds is in the packet. We can offer a discount if performing that work in winter.** **Pricing to install a grouping of (3) planters and install soil and fall display items is included.**
	General Updates	**Holiday light installation began early November.** **Gatehouse displays will be installed late November**

SUSTAINABLE ROOTS LANDSCAPE CO.

HERITAGE HILLS METRO DISTRICT
PO BOX 630588
HIGHLANDS RANCH, CO 80163

Lincoln Gate Pots
PO Box 630588 Highlands Ranch, CO 80163

Est ID: EST6724859 1
Date: Oct-28-2026

Email: steve@frommco.us
Phone: 3032633062

Gate pots and display			**$1,855.25**
		Installation	$300.00
9	Each	Birch poles	$360.00
30	Each	Red twig dogwood stems	$54.60
4	Each	Pine cones-sugar	$36.36
30	Each	Pine cones-small	$63.30
6	Each	Berry picks	$18.30
6	Each	Wicker balls	$32.70
5	Pound	Evergreen boughs	$6.35
1	Each	Delivery	$168.92
6	Bag	Soil	$354.72
1	Lump Sum	Planters	$460.00

Estimate Total **$1,855.25**




FAAC

SUSTAINABLE ROOTS
LANDSCAPE CO.

HERITAGE HILLS METRO DISTRICT
PO BOX 630588
HIGHLANDS RANCH, CO 80163

Sales: Leigh DuFresne

Yosemite Beds Rock and Fabric

PO Box 630588 Highlands Ranch, CO 80163

Est ID: EST6724837 2
Date: Oct-28-2026

Email: steve@frommco.us
Phone: 3032633062

Rock and Fabric Installation — $58,400.54

410	Hours	Installation
200	TON	1.5" Granite Rock
16300	SF	Landscape Fabric
1	week	Tracked Buggy

Estimate Total **$58,400.54**

Contract Payment Summary

PO # **Contract #**

LANDSCAPING CONTRACT

This LANDSCAPING CONTRACT (the "Contract") is entered into by and between Sustainable Roots Landscape Company, LLC, a limited liability company, whose address is 3416 Newton Street, Denver, Colorado 80211 (the "Landscaper") and the customer accepting these terms and conditions (the "Customer"), collectively the "Parties."

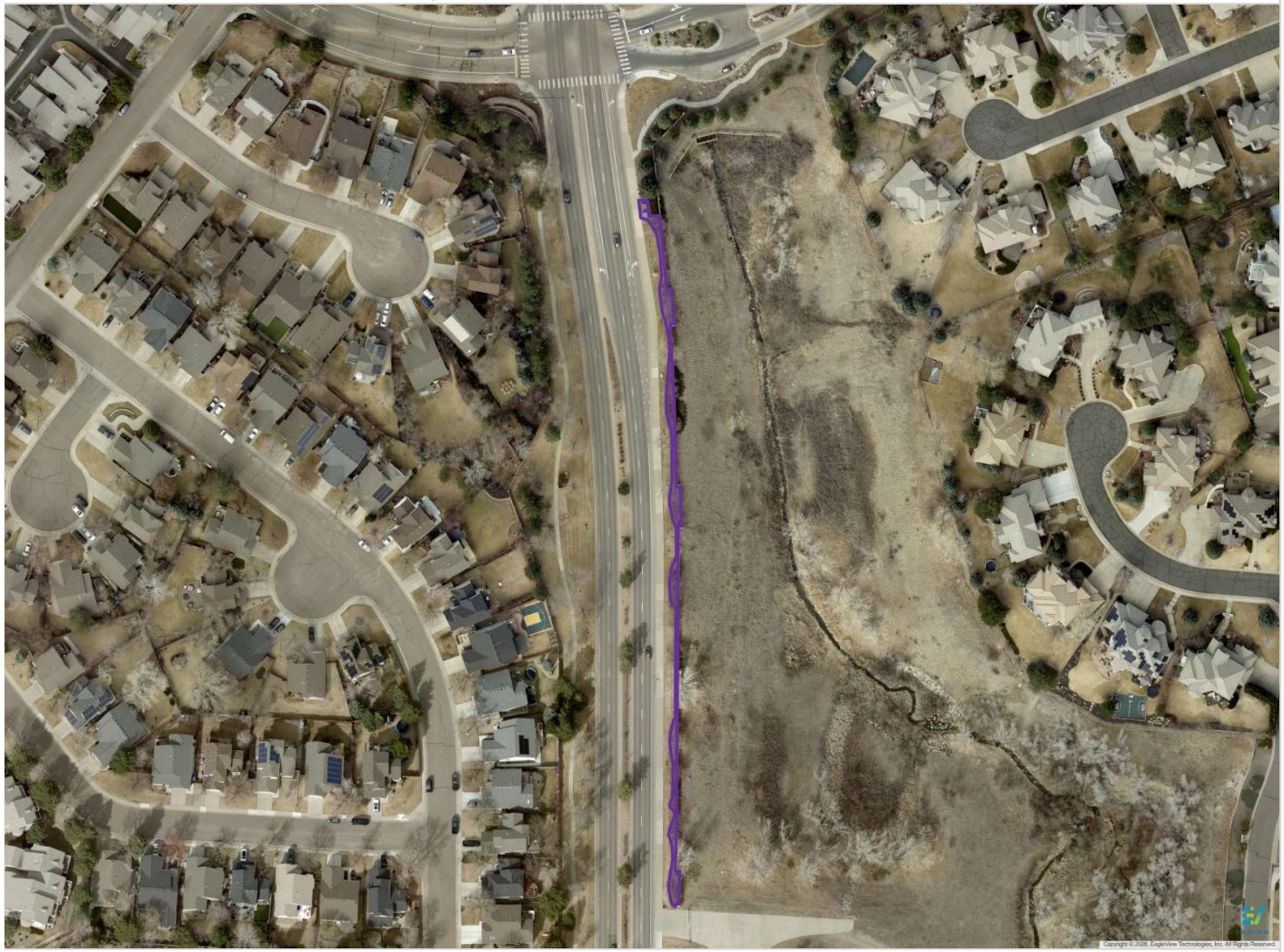
TERMS AND CONDITIONS

1. **SCOPE OF SERVICES.** The Landscaper will provide landscaping services as outlined in the attached proposal. The

SUSTAINABLE ROOTS LANDSCAPE CO.

heritage hills

S Yosemite St, Lone Tree, CO 80124, United States



Legend

Name

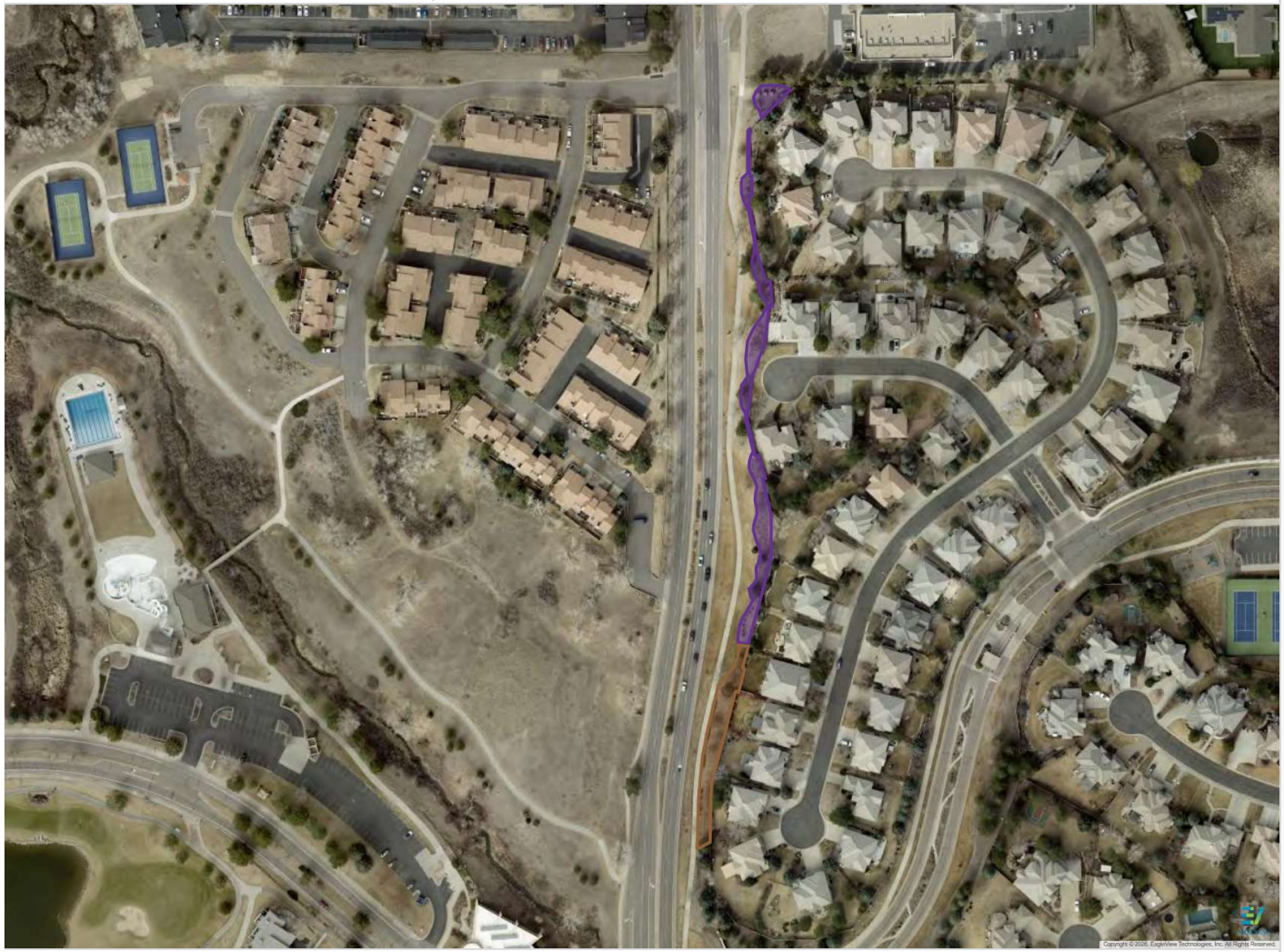
- **mulch**
- **Rock**

Exported on 11/4/2026

SUSTAINABLE ROOTS LANDSCAPE CO.

heritage hills

S Yosemite St, Lone Tree, CO 80124, United States



Legend

Name

- **mulch**
- **Rock**

Exported on 11/4/2026





SUSTAINABLE ROOTS
LANDSCAPE CO.

HERITAGE HILLS METRO DISTRICT
PO BOX 630588
HIGHLANDS RANCH, CO 80163

Heritage Hills-2027 Maintenance only
PO Box 630588 Highlands Ranch, CO 80163

Est ID: EST4034539
Date: Nov-04-2026

CONTRACT SERVICES	Visits
Mowing	**26**

Mowing: Turf areas shall be mowed more frequently during the active growing season and as needed during other seasons. Frequencies of mowing shall vary in the Spring and Fall due to seasonal weather conditions and turf growth rates. During extended rainy or dry periods mowing will take place as conditions dictate. Mowing height will be based on what is horticulturally correct for the turf variety taking into account the season. Clippings shall be mulched and not caught or removed from turf areas unless they are lying in swaths which may damage the lawn.

String Trimming: Vertical obstacles will be trimmed around to assure a neat and attractive appearance at the time of each mowing.

Edging: Sidewalk or hard surface areas adjacent to turf areas will be edged on a bi-weekly basis.

Blowing: Sidewalk and curb areas adjacent to landscaped areas will be blown and kept clean with the use of power- operated blowers at the time of each mowing. This does not include the blowing of car ports and/or parking lots.

Weeding/Bed Maintenance	**26**

Weekly Weed Control: Beds, sidewalks and curb/gutter will be kept reasonably free of broadleaf or grassy weeds, preferably with pre-emergent and/or post-emergent/contact green product herbicides, or with manual removal (hand-pulling).

Mirimichi Green Organic Herbicide will be used for all weed control in landscape beds where chemical

CONTRACT SERVICES	Visits

control is necessary.

Spring Cleanup **1**

Debris shall be picked up and disposed of from maintained turf and rock/mulch bed areas. Debris shall be managed using all means available including blowing, raking, vacuuming, and mowing/mulching to maintain a neat appearance. Weather conditions may shorten or lengthen the process of debris removal. Unless otherwise agreed, debris cleanup does not include the cleanup of pet waste or pet waste stations, trash cans, parking lots, or parking structures, nor does it include clean-up of debris and trash caused by vandalism, dumping, improperly contained dumpsters, or acts of God.

Aeration - Spring **1**

Aeration: Core aeration will be performed with a stand-on, walk behind, and/or a tow behind aerator. Aeration plugs shall be left and not caught or removed from the turf areas.

Aeration - Fall **1**

Fert - Year Long **1**

Fertilization: Turf shall be fertilized as warranted with a slow-release commercial fertilizer to promote a healthy appearance.

Beauty Band Mow **5**

Designated native areas will be mowed 5 times (based on preference) to maintain a consistent, well-kept look across high-traffic or high-visibility zones. Beauty band mow width will be estimated at about 18".

Fall Cleanup **3**

Typically, in October/November/December, fallen leaves shall be picked up and disposed of from maintained turf
and rock/mulch bed areas. Leaves shall be managed using all means available including blowing, raking, vacuuming, and mowing/mulching to maintain a neat appearance. Weather conditions may shorten or lengthen the process of leaf removal.

Unless otherwise agreed, debris clean-up does not include the cleanup of debris and trash caused by vandalism, dumping, improperly contained dumpsters, or acts of God.

Pruning/Shearing **2**

Pruning: Shrubs shall be pruned to maintain the natural form of the plant and to maintain growth within space limitations. Timing of pruning may vary between plant species. This service excludes pruning necessitated by storm damage, disease, neglected overgrowth, and winterkill. Industry standard

CONTRACT SERVICES	Visits

pruning practices do not include hand shearing of plants into boxes, squares, balls, etc. unless required by the design.

Ornamental grasses will be cut one time per year, typically in late winter, to approximately 1/4 of the existing height. Perennial cut back will be done one time per year, typically in the winter.

Volunteer suckers and shooters: Tree suckers on trees will be removed to maintain a clean appearance.

Trash & Litter Collection **26**

Crew members will inspect and remove litter from all designated areas once per week during scheduled maintenance visits.

All trash cans and dog stations will be serviced weekly year-round.

Pine needle clean up **3**

Total (All Contract Services) $159,492.00

The total price of all seasonal services is $159,492.00 collected in 12 payments of $13,291.00 per payment .

1. DESCRIPTION OF THE WORK.

1.1. Area of Landscaping and Services. Contractor will perform the herein described services. Unless otherwise directed by Owner, Owner's Representative, or Property Manager in writing, Contractor will perform all services described herein in a manner deemed reasonably suitable solely by Contractor. Contractor shall provide all labor, equipment, supervision, and tools necessary to maintain landscaped areas in accordance with this Agreement.

1.1. Term and Termination. The term of this Agreement is from date listed to the date of execution or until the Contractor informs the Owner the Services have been completed. Services under this Agreement shall be performed pursuant to the intervals and number of services more particularly described below.

1.2. Project. Contractor shall provide the services identified above, which shall be completed pursuant to this Agreement.

SUSTAINABLE ROOTS
LANDSCAPE CO.

HERITAGE HILLS METRO DISTRICT
PO BOX 630588
HIGHLANDS RANCH, CO 80163

Heritage Hills-2027 Maint/Irrigation
PO Box 630588 Highlands Ranch, CO 80163

Est ID: EST4020816
Date: Oct-28-2026

CONTRACT SERVICES	Visits
Mowing	**26**

Mowing: Turf areas shall be mowed more frequently during the active growing season and as needed during other seasons. Frequencies of mowing shall vary in the Spring and Fall due to seasonal weather conditions and turf growth rates. During extended rainy or dry periods mowing will take place as conditions dictate. Mowing height will be based on what is horticulturally correct for the turf variety taking into account the season. Clippings shall be mulched and not caught or removed from turf areas unless they are lying in swaths which may damage the lawn.

String Trimming: Vertical obstacles will be trimmed around to assure a neat and attractive appearance at the time of each mowing.

Edging: Sidewalk or hard surface areas adjacent to turf areas will be edged on a bi-weekly basis.

Blowing: Sidewalk and curb areas adjacent to landscaped areas will be blown and kept clean with the use of power- operated blowers at the time of each mowing. This does not include the blowing of car ports and/or parking lots.

Weeding/Bed Maintenance	**26**

Weekly Weed Control: Beds, sidewalks and curb/gutter will be kept reasonably free of broadleaf or grassy weeds, preferably with pre-emergent and/or post-emergent/contact green product herbicides, or with manual removal (hand-pulling).

Mirimichi Green Organic Herbicide will be used for all weed control in landscape beds where chemical

CONTRACT SERVICES	Visits

control is necessary.

Spring Cleanup **1**

Debris shall be picked up and disposed of from maintained turf and rock/mulch bed areas. Debris shall be managed using all means available including blowing, raking, vacuuming, and mowing/mulching to maintain a neat appearance. Weather conditions may shorten or lengthen the process of debris removal. Unless otherwise agreed, debris cleanup does not include the cleanup of pet waste or pet waste stations, trash cans, parking lots, or parking structures, nor does it include clean-up of debris and trash caused by vandalism, dumping, improperly contained dumpsters, or acts of God.

Aeration - Spring **1**

Aeration: Core aeration will be performed with a stand-on, walk behind, and/or a tow behind aerator. Aeration plugs shall be left and not caught or removed from the turf areas.

Aeration - Fall **1**

Fert - Year Long **1**

Fertilization: Turf shall be fertilized as warranted with a slow-release commercial fertilizer to promote a healthy appearance.

Beauty Band Mow **5**

Designated native areas will be mowed 5 times (based on preference) to maintain a consistent, well-kept look across high-traffic or high-visibility zones. Beauty band mow width will be estimated at about 18".

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Pruning/Shearing **2**

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CONTRACT SERVICES	Visits

pruning practices do not include hand shearing of plants into boxes, squares, balls, etc. unless required by the design.

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Volunteer suckers and shooters: Tree suckers on trees will be removed to maintain a clean appearance.

Trash & Litter Collection **26**

Crew members will inspect and remove litter from all designated areas once per week during scheduled maintenance visits.

All trash cans and dog stations will be serviced weekly year-round.

Pine needle clean up	**3**
Irrigation - Startup	**1**
Irrigation - Inspection	**26**
Irrigation - Shutdown	**1**

Total (All Contract Services) $184,104.00

The total price of all seasonal services is $184,104.00 collected in 12 payments of $15,342.00 per payment .

1. DESCRIPTION OF THE WORK.

1.1. Area of Landscaping and Services. Contractor will perform the herein described services. Unless otherwise directed by Owner, Owner's Representative, or Property Manager in writing, Contractor will perform all services described herein in a manner deemed reasonably suitable solely by Contractor. Contractor shall provide all labor, equipment, supervision, and

MANAGER MATTERS

FINANCIAL

Heritage Hills Metropolitan District
Cash Requirement Report - Detailed
All Dates

Vendor	Invoice #	Date	Amount	Expense Account	Fund
ASAP Asphalt & Concrete Inc.	20068	09/30/26	$ 2,131.00	Street Repair and Maintenance	General Fund
BrightLinQ WiFi Marking	2014	10/01/26	1,326.50	Gated Entr-Internet Service	General Fund
BrightLinQ WiFi Marking	2020	11/01/26	1,326.50	Gated Entr-Internet Service	General Fund
City of Lone Tree Planning Commission	4402803179	09/30/26	4,600.00	Overlook Park improvements	Capital Projects Fund
CliftonLarsonAllen, LLP	L261623999	10/31/26	3,677.42	Accounting	General Fund
Denver Dirt Works Inc	PA1	08/31/26	(406.74)	Retainage Payable	Capital Projects Fund
Denver Dirt Works Inc	PA1	08/31/26	8,134.84	Overlook Park improvements	Capital Projects Fund
Denver Dirt Works Inc	PA2	09/30/26	(1,967.29)	Retainage Payable	Capital Projects Fund
Denver Dirt Works Inc	PA2	09/30/26	39,345.82	Overlook Park improvements	Capital Projects Fund
Denver Water	Oct2026	10/23/26	3,201.84	Utilities	General Fund
Denver Water	Sep2026	09/24/26	11,895.36	Utilities	General Fund
Fromm & Company LLC	2026-9SEC	09/30/26	2,000.00	GatedEntr-Gate R&M	General Fund
Fromm & Company LLC	2026-9SEC	09/30/26	6,368.00	GatedEntr-Security	General Fund
Fromm & Company LLC	2026-9PPM	09/30/26	440.83	Miscellaneous	General Fund
Fromm & Company LLC	2026-9PPM	09/30/26	7,365.00	Property Management	General Fund
Fromm & Company LLC	2026-9PPM	09/30/26	3,812.31	Fence/sign - Monument	General Fund
Fromm & Company LLC	2026-9DO	09/30/26	68.00	Public relations	General Fund
Fromm & Company LLC	2026-9DMA	09/30/26	196.32	Miscellaneous	General Fund
Fromm & Company LLC	2026-9DMA	09/30/26	5,357.00	District management	General Fund
Ireland Stapleton Pryor & Pascoe, PC	178105	09/30/26	486.00	Legal	General Fund
Merrick & Company	INV-10305571	09/18/26	2,148.75	Engineering - other	Capital Projects Fund
Merrick & Company	INV-10305571	09/18/26	3,438.75	Willow Creek Trail	Capital Projects Fund
Merrick & Company	INV-10305571	09/18/26	63.75	Streets	Capital Projects Fund
Merrick & Company	INV-10305571	09/18/26	10,597.50	Overlook Park improvements	Capital Projects Fund
SUSTAINABLE ROOTS LANDSCAPE CO	INV-601	09/30/26	14,234.84	LS Maint - Maint contract	General Fund
SUSTAINABLE ROOTS LANDSCAPE CO	INV-623	10/13/26	55,244.00	LS Maint - Tree care program	General Fund
SUSTAINABLE ROOTS LANDSCAPE CO	INV-617	10/02/26	8,300.00	LS Maint - Additional turf care	General Fund
SUSTAINABLE ROOTS LANDSCAPE CO	INV-934	09/30/26	10,500.00	LS Maint - Additional turf care	General Fund
SUSTAINABLE ROOTS LANDSCAPE CO	INV-600	09/29/26	3,000.00	LS Maint - Additional projects	General Fund
SUSTAINABLE ROOTS LANDSCAPE CO	INV-633	10/30/26	4,500.00	LS Maint - Additional projects	General Fund
SUSTAINABLE ROOTS LANDSCAPE CO	INV-633	10/30/26	75,116.84	Median Project - Phase 2	Capital Projects Fund
SUSTAINABLE ROOTS LANDSCAPE CO	INV-599	09/29/26	1,875.00	LS Maint - Additional projects	General Fund
Seter & Vander Wall P.C.	10042	09/30/26	862.50	Legal	General Fund
Sprinkler Solutions LLC	INV-000041	09/30/26	158.32	LS Maint - Irrigation	General Fund
Sprinkler Solutions LLC	INV-000045	10/28/26	2,182.49	LS Maint - Irrigation	General Fund
Sprinkler Solutions LLC	INV-000043	10/05/26	1,408.57	LS Maint - Irrigation	General Fund
Sprinkler Solutions LLC	INV-000044	10/23/26	313.30	LS Maint - Irrigation	General Fund
Sprinkler Solutions LLC	NV-000042	10/01/26	119.92	LS Maint - Irrigation	General Fund
TraffiCalm Systems LLC	INV204346	10/22/26	200.00	Street Repair and Maintenance	General Fund
Wizard Works Security Systems Inc.	26800516	09/30/26	689.88	GatedEntr-Gate R&M	General Fund
Wizard Works Security Systems Inc.	26800535	10/19/26	2,413.00	GatedEntr-Security	General Fund
Wizard Works Security Systems Inc.	26800515	09/30/26	1,583.26	GatedEntr-Gate R&M	General Fund
Wizard Works Security Systems Inc.	26800514	10/05/26	771.05	GatedEntr-Gate R&M	General Fund
Wizard Works Security Systems Inc.	26800550	10/28/26	1,880.00	GatedEntr-Gate R&M	General Fund
Wizard Works Security Systems Inc.	26800365	07/28/26	1,880.00	GatedEntr-Gate R&M	General Fund
Wizard Works Security Systems Inc.	26800554	10/29/26	866.57	GatedEntr-Gate R&M	General Fund
Wizard Works Security Systems Inc.	26800513	09/30/26	802.57	GatedEntr-Gate R&M	General Fund
Xcel Energy	53-3440865-0Sep26	09/30/26	2,166.30	Street lighting	General Fund
Xcel Energy	53-1915391-2Sep26	09/29/26	3,140.42	Utilities	General Fund
Total			**$ 309,816.29**		

Summary by Fund		
General Fund Total	$	168,744.07
Capital Projects Fund		141,072.22
Total	**$**	**309,816.29**

HERITAGE HILLS METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

SEPTEMBER 30, 2026

Heritage Hills Metro District
Balance Sheet - Governmental Funds
September 30, 2026

	General	Capital Projects	Total
Assets			
Checking Account	$ 27,906.36	$ 7,488.75	$ 35,395.11
Colotrust	6,021,563.70	68,329.41	6,089,893.11
Receivable from County Treasurer	12,492.09	-	12,492.09
Total Assets	$ 6,061,962.15	$ 75,818.16	$ 6,137,780.31
Liabilities			
Accounts Payable	$ 223,362.08	$ 73,444.13	$ 296,806.21
Payroll Liabilities	351.90	-	351.90
Retainage Payable	-	2,374.03	2,374.03
Total Liabilities	223,713.98	75,818.16	299,532.14
Fund Balances	5,838,248.17	-	5,838,248.17
Liabilities and Fund Balances	$ 6,061,962.15	$ 75,818.16	$ 6,137,780.31

See selected information and the summary of significant assumptions.

Heritage Hills Metro District
General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Period Ending September 30, 2026

	Annual Budget	Actual	Variance
Revenues			
Property taxes	$ 2,176,138.00	$ 2,151,083.68	$ 25,054.32
Specific ownership taxes	163,210.00	113,984.94	49,225.06
Interest Income	180,000.00	168,641.82	11,358.18
Other Revenue	10,000.00	25,977.17	(15,977.17)
Total Revenue	2,529,348.00	2,459,687.61	69,660.39
General and Administrative			
Accounting	75,000.00	46,967.71	28,032.29
Auditing	7,000.00	7,314.00	(314.00)
County Treasurer's Fee	32,642.00	32,281.51	360.49
Directors' fees	7,500.00	4,600.00	2,900.00
Insurance	28,000.00	28,560.00	(560.00)
District management	90,000.00	64,521.40	25,478.60
Legal	140,000.00	85,077.33	54,922.67
Miscellaneous	7,500.00	12,803.26	(5,303.26)
Public relations	35,000.00	10,791.82	24,208.18
Contingency	15,953.00	-	15,953.00
Property Management	85,000.00	67,556.00	17,444.00
Website	5,000.00	1,821.30	3,178.70
Dues and Membership	2,000.00	1,237.50	762.50
Operations and Maintenance			
Engineering	5,000.00	1,135.71	3,864.29
Fence and sign maintenance	15,000.00	2,010.00	12,990.00
Gated entrance	196,000.00	178,009.63	17,990.37
Landscaping	469,905.00	481,011.57	(11,106.57)
Recreational expense	247,000.00	218,223.07	28,776.93
Street maintenance	165,000.00	54,534.39	110,465.61
Street lighting	20,000.00	19,784.69	215.31
Seasonal lights	76,500.00	16,279.99	60,220.01
Snow removal	250,000.00	20,478.88	229,521.12
Utilities	130,000.00	94,552.18	35,447.82
Total Expenditures	2,105,000.00	1,449,551.94	655,448.06
Other Financing Sources (Uses)			
Transfers to other fund	(1,410,000.00)	(352,423.00)	(1,057,577.00)
Total Other Financing Sources (Uses)	(1,410,000.00)	(352,423.00)	(1,057,577.00)
Net Change in Fund Balances	(985,652.00)	657,712.67	(1,643,364.67)
Fund Balance - Beginning	5,052,172.00	5,180,535.50	(128,363.50)
Fund Balance - Ending	$ 4,066,520.00	$ 5,838,248.17	$ (1,771,728.17)

See selected information and the summary of significant assumptions.

SUPPLEMENTARY INFORMATION

Heritage Hills Metro District
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Period Ending September 30, 2026

	Annual Budget	Actual	Variance
Expenditures			
Accounting	10,000.00	-	10,000.00
District management	10,000.00	-	10,000.00
Legal	10,000.00	-	10,000.00
Landscaping	-	6,239.59	(6,239.59)
Community improvement	20,000.00	5,082.00	14,918.00
Overlook Park improvements	400,000.00	76,960.66	323,039.34
New/replacement trees	40,000.00	-	40,000.00
Brick wall	30,000.00	27,696.25	2,303.75
Gated Entrance - gates	25,000.00	-	25,000.00
Gated Entrance - cameras	10,000.00	-	10,000.00
Median Project - Phase 2	85,000.00	-	85,000.00
Rock Installation	150,000.00	-	150,000.00
Overlook Park Playgrounds	75,000.00	-	75,000.00
Fence Replacement	25,000.00	-	25,000.00
Willow Creek Trail	100,000.00	85,579.30	14,420.70
Pedestrian Gate	-	14,365.84	(14,365.84)
Streets	300,000.00	123,280.75	176,719.25
Engineering - other	120,000.00	13,218.61	106,781.39
Total Expenditures	1,410,000.00	352,423.00	1,057,577.00
Other Financing Sources (Uses)			
Transfers from other funds	1,410,000.00	352,423.00	1,057,577.00
Total Other Financing Sources (Uses)	1,410,000.00	352,423.00	1,057,577.00
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ -	$ -

See selected information and the summary of significant assumptions.

HERITAGE HILLS METROPOLITAN DISTRICT
SELECTED INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

Notes to the Reader:

The financial statements of the District have been prepared in accordance with the criteria established by the Governmental Accounting Standards Board ("GASB"), which is the source of authoritative accounting principles generally accepted in the United States of America ("GAAP"), as applied to governmental entities. The District's financial statements are prepared using the modified accrual basis of accounting. The financial statements include the following departures from GAAP:

- Management's discussion and analysis and substantially all disclosures required are omitted.
- The statement of revenues, expenditures and changes in fund balances – governmental funds has been omitted.

The financial forecasts present, to the best of management's knowledge and belief, the District's expected results of operations and cash flows for the forecast periods. Accordingly, the forecasts reflects its judgment as of November 14, 2025, the date these forecasts were prepared, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecasts. There will usually be differences between the forecast and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The financial statements are developed by the District to comply with GAAP, although there may be departures from GAAP not identified. These statements are primarily intended for use in managing the District's operations and may not be suitable for other purposes. Users should be aware of these limitations when utilizing the financial statements.

HERITAGE HILLS METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Heritage Hills Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court in Douglas County on July 12, 1996, and is governed pursuant to provisions of the Colorado Special District Act (Title 21, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado. The District was established for the purpose of providing facilities including public street improvements, storm sewer facilities, and park and recreation facilities, in addition to operating and maintaining such facilities, or transferring them to other political subdivisions for operations and maintenance. Furthermore, the District was formed for the purpose of operating and maintaining streets owned by the Heritage Hills Homeowners Association, Inc., as well as District-owned security facilities.

In August 2001, Heritage Hills Metropolitan District was annexed into the City of Lone Tree ("City"). As part of the annexation agreement, the City provides trash collection and police protection services for residents within the District.

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 C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, 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.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Revenues - (continued)

Property Taxes – (continued)

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate		Category	Rate
Single-Family Residential	6.25%		Agricultural Land	27.00%
Multi-Family Residential	6.25%		Renewable Energy Land	27.00%
Commercial	27.00%		Vacant Land	27.00%
Industrial	27.00%		Personal Property	27.00%
Lodging	27.00%		State Assessed	27.00%
			Oil & Gas Production	87.50%

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 7% of the property taxes collected by the General Fund.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.00%.

Other Income

Other income includes various miscellaneous revenues including clubhouse rental fees and transponder fees.

HERITAGE HILLS METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include legal, accounting and management costs as well as costs to maintain the common area landscaping and fencing, recreational facilities and activities, security gates, and streets. Estimated costs for these expenditures are based upon prior year's costs, current year's scope of services, as well as negotiated maintenance contracts.

Capital Outlay

The District anticipates capital improvements as noted in the Capital Projects Fund.

Debt & Leases

The District has no outstanding debt, capital or operating leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending as defined under TABOR.

Operations Reserve

The District maintains a reserve for operations of $500,000.

Capital Reserve

The District has provided for a capital reserve for future capital projects and replacements.

Heritage Hills Metro District
Variance Report
For the Period Ending November 4, 2026

	Annual Budget	Actual	Variance	Actual / Budget
Expenditures				
Accounting	$ 75,000.00	$ 50,645.13	$ 24,354.87	67.53%
Auditing	7,000.00	7,314.00	(314.00)	104.49%
County Treasurer's Fee	32,642.00	32,281.51	360.49	98.90%
Directors' fees	7,500.00	4,600.00	2,900.00	61.33%
Dues and Membership	2,000.00	1,237.50	762.50	61.88%
Insurance	28,000.00	28,560.00	(560.00)	102.00%
District management	90,000.00	69,878.40	20,121.60	77.64%
Property Management	85,000.00	74,921.00	10,079.00	88.14%
Legal	140,000.00	85,077.33	54,922.67	60.77%
Miscellaneous	7,500.00	13,440.41	(5,940.41)	179.21%
LS Maint - Irrigation	40,000.00	46,109.28	(6,109.28)	115.27%
LS Maint - Maint contract	175,800.00	177,520.71	(1,720.71)	100.98%
LS Maint - Remulching	-	117,157.05	(117,157.05)	100.00%
LS Maint - Annual color installation	42,700.00	-	42,700.00	0.00%
LS Maint - Japanese beetle/grub	4,880.00	1,133.33	3,746.67	23.22%
LS Maint - Tree pruning/removal	50,000.00	11,322.86	38,677.14	22.65%
LS Maint - Tree care program	69,525.00	73,558.67	(4,033.67)	105.80%
LS Maint - Additional turf care	31,000.00	53,235.10	(22,235.10)	171.73%
LS Maint - Additional projects	18,000.00	94,611.01	(76,611.01)	525.62%
LS Maint - Deep root water trees	17,000.00	8,200.00	8,800.00	48.24%
LS Maint - Topdress Mulch	15,000.00	-	15,000.00	0.00%
LS Maint - Mulch annual beds	6,000.00	-	6,000.00	0.00%
Street Repair and Maintenance	85,000.00	54,912.00	30,088.00	64.60%
Street sweeping	7,000.00	-	7,000.00	0.00%
Concrete Repairs	60,000.00	1,953.39	58,046.61	3.26%
Fence/sign - Monument	15,000.00	5,822.31	9,177.69	38.82%
Rec - Pool monitoring & repairs	10,000.00	1,275.52	8,724.48	12.76%
Rec - Clubhouse cleaning	5,000.00	3,938.05	1,061.95	78.76%
Rec - Pool maint/lifeguards	172,000.00	175,207.87	(3,207.87)	101.87%
Rec - Tennis court R&M	10,000.00	4,531.78	5,468.22	45.32%
Rec - Misc. building maint & repairs/furniture	5,000.00	471.46	4,528.54	9.43%
Rec - Pool repairs & maintenance	15,000.00	20,634.04	(5,634.04)	137.56%
Rec - Pool Chemicals	30,000.00	12,164.35	17,835.65	40.55%
Street lighting	20,000.00	19,784.69	215.31	98.92%
Street Light Painting	13,000.00	-	13,000.00	0.00%
Seasonal lights	76,500.00	16,279.99	60,220.01	21.28%
Snow removal	250,000.00	20,478.88	229,521.12	8.19%
Stormwater management	5,000.00	1,135.71	3,864.29	22.71%
Utilities	130,000.00	97,754.02	32,245.98	75.20%
Gated Entr-Internet Service	17,000.00	13,377.10	3,622.90	78.69%
GatedEntr-Gate R&M	65,000.00	66,022.14	(1,022.14)	101.57%
GatedEntr-Security	100,000.00	115,282.19	(15,282.19)	115.28%
GatedEntr-Oversized Vehicle Access	14,000.00	279.82	13,720.18	2.00%
Public relations	35,000.00	10,859.82	24,140.18	31.03%
Website	5,000.00	1,821.30	3,178.70	36.43%
Contingency	15,953.00	-	15,953.00	0.00%
Total Expenditures	$ 2,105,000.00	$ 1,594,789.72	$ 510,210.28	75.76%

Heritage Hills Metro District
Variance Report
For the Period Ending November 4, 2026

	Annual Budget	Actual	Variance	Actual / Budget
Expenditures				
Accounting	$ 10,000.00	$ -	$ 10,000.00	0.00%
District management	10,000.00	-	10,000.00	0.00%
Legal	10,000.00	-	10,000.00	0.00%
Landscaping	-	6,239.59	(6,239.59)	100.00%
Community improvement	20,000.00	5,082.00	14,918.00	25.41%
Overlook Park improvements	400,000.00	76,960.66	323,039.34	19.24%
New/replacement trees	40,000.00	-	40,000.00	0.00%
Brick wall	30,000.00	27,696.25	2,303.75	92.32%
Gated Entrance - gates	25,000.00	-	25,000.00	0.00%
Gated Entrance - cameras	10,000.00	-	10,000.00	0.00%
Median Project - Phase 2	85,000.00	75,116.84	9,883.16	88.37%
Rock Installation	150,000.00	-	150,000.00	0.00%
Overlook Park Playgrounds	75,000.00	-	75,000.00	0.00%
Fence Replacement	25,000.00	-	25,000.00	0.00%
Willow Creek Trail	100,000.00	85,579.30	14,420.70	85.58%
Pedestrian Gate	-	14,365.84	(14,365.84)	100.00%
Streets	300,000.00	123,280.75	176,719.25	41.09%
Engineering - other	120,000.00	13,218.61	106,781.39	11.02%
Total Expenditures	$ 1,410,000.00	$ 427,539.84	$ 982,460.16	30.32%

HERITAGE HILLS METRO DISTRICT
Schedule of Cash Position
September 30, 2026
Updated as of November 4, 2026

		General Fund	Capital Projects Fund	Total
PNC Bank - Checking Account				
Balance as of 9/30/26		$ 27,906.36	$ 7,488.75	$ 35,395.11
Subsequent activities:				
10/09/26	Transfer from ColoTrust	200,000.00	-	200,000.00
10/09/26	Director's Fees	(430.60)	-	(430.60)
10/13/26	Bill.com Payables	(160,181.58)	(7,488.75)	(167,670.33)
10/16/26	Denver Water Autopay	(11,895.36)	-	(11,895.36)
10/22/26	Xcel Energy Autopay	(3,140.42)	-	(3,140.42)
10/23/26	Starbridge AI (CORA)	206.85	-	206.85
10/23/26	Barrier Arm Repair Reimbursement	1,757.43	-	1,757.43
10/23/26	Transponder Income	650.00	-	650.00
10/23/26	Club House Fees	225.00	-	225.00
10/28/26	Xcel Energy Autopay	(2,166.30)	-	(2,166.30)
Anticipated Transfer from Colotrust		*226,670.59*	*68,329.41*	*295,000.00*
Anticipated Transfer between Funds		*(72,742.81)*	*72,742.81*	-
Anticipated Bill.com Payables		*(184,328.28)*	*(141,072.22)*	*(325,400.50)*
	Anticipated Balance	22,530.88	-	22,530.88
Colotrust - Plus				
Balance as of 9/30/26		6,021,563.70	68,329.41	6,089,893.11
Subsequent activities:				
10/09/26	Transfer to PNC	(200,000.00)	-	(200,000.00)
10/10/26	Property Taxes - September	12,492.09	-	12,492.09
10/31/26	Interest Income	20,243.19	-	20,243.19
Anticipated Transfer to PNC Bank		*(226,670.59)*	*(68,329.41)*	*(295,000.00)*
	Anticipated Balance	5,627,628.39	-	5,627,628.39
	Anticipated Balances	**$ 5,650,159.27**	**$ -**	**$ 5,650,159.27**

Yield information as of 10/31/26:
Colotrust Plus - 3.9991%

HERITAGE HILLS METROPOLITAN DISTRICT

Property Tax Reconciliation

2026

	Current Year									Prior Year		
	Property Taxes	Delinquent Taxes	Abatements & Rebates	Specific Ownership Tax	Interest	Treasurer's Fees	Amount Received	% of Total Property Taxes Received Monthly	% of Total Property Taxes Received YTD	Total Cash Received	% of Total Property Taxes Received Monthly	% of Total Property Taxes Received YTD
January	$ 18,130.84	$ -	$ -	$ 13,633.33	$ -	$ (271.96)	$ 31,492.21	0.83%	0.83%	$ 83,708.01	3.01%	3.01%
February	804,421.59	-	-	11,958.48	-	(12,066.32)	804,313.75	36.97%	37.80%	869,599.73	37.51%	40.52%
March	176,147.17	-	-	12,698.89	36.80	(2,642.74)	186,240.12	8.09%	45.89%	132,554.32	5.17%	45.69%
April	358,684.20	226.00	-	11,920.66	72.80	(5,381.35)	365,522.31	16.49%	62.39%	437,886.04	18.62%	64.31%
May	97,188.73	-	-	12,177.31	60.55	(1,458.72)	107,967.87	4.47%	66.85%	121,318.83	4.68%	68.99%
June	651,225.37	-	-	13,385.53	253.46	(9,772.20)	655,092.16	29.93%	96.78%	674,427.89	28.92%	97.91%
July	42,787.83	-	-	13,437.73	754.27	(653.11)	56,326.72	1.97%	98.74%	58,738.04	1.86%	99.77%
August	2,271.95	-	-	12,280.92	68.83	(35.11)	14,586.59	0.10%	98.85%	18,980.40	0.19%	99.96%
September	-	-	-	12,492.09	-	-	12,492.09	0.00%	98.85%	15,253.92	0.00%	99.96%
October	-	-	-	-	-	-	-	0.00%	98.85%	16,606.17	0.00%	99.96%
November	-	-	-	-	-	-	-	0.00%	98.85%	13,491.95	0.00%	99.96%
December	-	-	-	-	-	-	-	0.00%	98.85%	14,867.69	0.00%	99.96%
	$ 2,150,857.68	$ 226.00	$ -	$ 113,984.94	$ 1,246.71	$ (32,281.51)	$ 2,234,033.82	98.85%	98.85%	$ 2,457,432.99	99.96%	99.96%

	Tax Revenue Levied	Percentage of Levied	Property Taxes Collected	% Collected to Amount Levied
Property Tax				
General	$ 2,176,138.00	100.00%	$ 2,151,083.68	98.85%
Sub total	$ 2,176,138.00	100.00%	$ 2,151,083.68	98.85%
Specific Ownership Tax				
General Fund	$ 163,210.00	100.00%	$ 113,984.94	69.84%
	$ 163,210.00	100.00%	$ 113,984.94	69.84%
Treasurer's Fees				
General	$ 32,642.00	100.00%	$ 32,281.51	98.90%
Total	$ 32,642.00	100.00%	$ 32,281.51	98.90%

CliftonLarsonAllen LLP
claconnect.com

To: Board of Directors, Heritage Hills Metropolitan District
From: Alonso Duran
Date: November 13, 2026
Re: Cash Access and Internal Controls

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1. What cash access does CLA have?
    a. Administrator access to bank accounts
        i. Principals of CLA have administrator access and provide access to CLA's cash management team including a controller and two cash/AP specialists
        ii. Internal control: Any new users, updates to permissions, etc. require dual control approvals
    b. Wire/transfer abilities
        i. CLA has the ability to wire funds between District accounts and to outside parties.
        ii. Internal Control: All wires to outside parties require board approval before processed
            1. Additionally, all wire instructions are required to be verbally confirmed and re-confirmed no less than every six months
        iii. Internal Control: All wires require dual control approvals
    c. Deposits
        i. CLA receives checks and makes deposits on behalf of the District
        ii. Internal Control: checks are received by separate team members than those making the deposits. The checks are logged on a listing and then deposited on a weekly basis by the cash management team
    d. Deposits – Billing Services
        i. CLA receives checks and makes deposits on behalf of the District for amounts billed and collected
            1. Cash payments are strictly prohibited
        ii. Internal Control: checks are received by separate team members than those making the deposits. The billing team logs payments in the billing system and deposits checks on a weekly basis
        iii. Credits on accounts (such as a one time penalty credit), are completed by CLA up to $1,000. Amounts greater than $1,000 require board approval as detailed in the SOW between CLA and the District

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

e. BILL (Bill.com) payments
    i. CLA has the ability to release payments in Bill.com upon final approval by the board approver(s)
    ii. Internal Control: board approver(s) must always be set up in BILL to approve all invoices before payments can be released
    iii. Internal Control: only the AP specialists have the ability to manage vendors and do not have the ability to release payments.
        1. Vendors have the ability to choose e-payments/wires and they are responsible for managing their account information in BILL

2. Additional internal controls
    a. Bank reconciliations are to be completed monthly and reviewed monthly by CLA team members
        i. Bank statements will be provided to the board each quarter beginning in 2026
    b. Board reviews and approves all disbursements at board meetings and approval is documented in meeting minutes
    c. Individuals executing wires and making deposits are separate from the individuals on each client engagement to provide additional controls and separation of duties

WIPFLI

Wipfli LLP
414 431 9300
eng.letter@wipfli.com

November 6, 2026

Shaun Seales
Board Member
Heritage Hills Metropolitan District
2001 16th Street, Suite 1700
Denver, CO 80202

Dear Shaun:

Wipfli LLP ("Wipfli") is pleased to serve as the independent auditors for Heritage Hills Metropolitan District ("Client") for the year ended December 31, 2026. This letter, together with the attached Wipfli LLP Professional Services Terms and Conditions, confirms the terms of our engagement and is collectively referred to herein as the "Letter" or the "Engagement Letter."

Fees

Our fees and expenses for this engagement will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of Client, the fee for this engagement will be $7,300. Our fee has been determined based on our understanding obtained through discussions with you regarding your preparedness for the engagement and your current operations. To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We will also charge our actual direct travel expenses (if any) plus a technology and administration fee equal to six percent (6%) of our professional fees. We expect payment of our billings within 30 days after submission.

Our fees for the services described below are based upon the value of the services performed and the time required by the individuals assigned to the engagement. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Client personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then the fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities fund type, and the disclosures, which collectively comprise the basic financial statements of Client, as of and for the year ended December 31, 2026.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

In performing our audit, we will consider and conclude whether, based on the audit evidence obtained, there are conditions or events, considered in the aggregate, which raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of cash, receivables, loan balances, and certain assets and liabilities by correspondence with selected customers, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may submit an invoice for responding to this inquiry.

Audit Procedures – Internal Control

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

Audit Procedures – Compliance

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

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that management acknowledges and understands its responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with GAAP.

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

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

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

Management is responsible for the preparation of the supplementary information in conformity with GAAP. Management agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Management's responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

We cannot perform management functions or make management decisions on behalf of Client. However, we may provide advice and recommendations to assist management in performing its functions and fulfilling its responsibilities. We may advise management about appropriate accounting principles and their application, but the responsibility for the financial statements remains with management.

Reporting

We will issue a written report upon completion of our audit of Client's financial statements. Our report will be addressed to Those Charged with Governance. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report or, if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

If Client intends to reproduce or publish these financial statements or any portion thereof, whether in paper or electronic form, subsequent to anticipated year-end filings, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. Client agrees to compensate Wipfli for the time associated with such review.

Client acknowledges and agrees that any advice, recommendations, information, or work product provided to Client by Wipfli in connection with this engagement is for the sole use of Client and may not be relied upon by any third party. Wipfli has no liability or responsibility to any third parties as a result of this engagement.

Management Assistance

Assistance to be supplied by Client personnel, including the preparation of schedules and analysis of accounts, will be discussed with an authorized member of management or those charged with governance. Timely completion of this work will facilitate the completion of our engagement.

Engagement Administration

Professional and certain regulatory standards require us to be independent in both fact and appearance. Any discussions that you have with Wipfli personnel regarding employment could pose a threat to our independence. Therefore, we request that you inform us immediately prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Conclusion and Approval to Proceed

If the terms above of this Engagement Letter are acceptable to you and the services outlined are in accordance with your requirements, please return a signed copy of this Letter to us.

We look forward to our continued association with you and your staff and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.

Wipfli LLP

ACCEPTED: HERITAGE HILLS METROPOLITAN DISTRICT

By: _____

_____
(Print Name and Title)

Date: _____

smk
Enc.

Wipfli LLP
Professional Services Terms and Conditions

1. Terms and Conditions and Related Engagement Documents

These Wipfli LLP Professional Services Terms and Conditions ("Terms and Conditions") apply to and govern Wipfli LLP's provision of services to You. For the purposes of these Terms and Conditions, any reference to "Wipfli," "We," "Us," "Our," or similar is a reference to Wipfli LLP, and includes any subsidiaries or subcontractors of Wipfli LLP, and any reference to "Client," "You," or similar is a reference to the party or parties that have engaged Us to provide services, and the parties ultimately responsible for Our fees and expenses.

These Terms and Conditions may be appended to or incorporated into an engagement letter outlining the delivery of specific services by Us to You, and in that case such engagement letter and any appendices thereto and these Terms and Conditions form the entire agreement between You and Wipfli with respect to the services described therein, and supersede and merge all prior or contemporaneous agreements and understandings (oral or written) between or among the parties regarding the subject matter thereof, including prior proposals of Wipfli regarding the engagement or services, understandings, and agreements (oral or written) between the parties relating to the subject matter, including, without limitation, the terms of any request for proposal issued by Client or the standard printed terms on any purchase order issued by Client and any non-disclosure or confidentiality agreement between Wipfli and Client dated prior to the date of the engagement letter. No modification, amendment, supplement to, or waiver of these Terms and Conditions shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of these Terms and Conditions, any engagement letter, its appendices, any other exhibit, attachment, schedule, or other document referenced in or by the engagement letter, shall be read together and harmonized to give effect to the parties' intent. In the event of a direct conflict among the express provisions of the foregoing, the engagement letter shall be given controlling effect. Notwithstanding the foregoing, where Wipfli provides services, support, and advice not covered by an engagement letter, these Terms and Conditions shall apply, including with respect to any such services, support, or advice performed or provided prior to the execution of an engagement letter related to those services.

2. Change Orders

Unless an engagement letter specifies otherwise, services that fall outside the agreed-upon scope of Wipfli's engagement under any engagement letter shall be covered by a Change Order, or, if the nature and amount of such services are not material to the overall engagement, shall be delineated and included on Wipfli's invoice for such services. A "Change Order" means a mutually agreed-upon change in the scope of work or services, schedule, or the time for Wipfli's performance of the work or services under an engagement letter, or a change in the fees or the basis of the fees to be paid to Wipfli by Client, which is reduced to a writing that is executed or otherwise acknowledged by an authorized representative of each for Wipfli and Client. Services performed under a Change Order shall be subject to these Terms and Conditions.

3. Commencement and Term

Our engagement will commence when acceptance of these Terms and Conditions and any related engagement letter is delivered to Wipfli through execution thereof by a duly authorized representative of Client and shall continue until the services contemplated under the engagement letter are Complete (as reasonably determined by Wipfli), unless earlier terminated by either party as provided herein. Each person executing an engagement letter or Change Order on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing the same. For the purposes of this paragraph, "Complete" means the delivery by Wipfli of the report or other deliverables contemplated by the engagement letter, or where no deliverables are contemplated, three (3) months after the last date of services rendered by Wipfli with respect to the services at issue. Notwithstanding the foregoing, services, support, and advice provided by Wipfli in respect of an engagement after the termination of such engagement shall be governed by these Terms and Conditions.

4. Termination of Services

Wipfli's services may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements and such default is not cured within thirty (30) days after notice from the other party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days' written notice. Wipfli has the right to terminate services with immediate effect if We determine applicable professional standards require Us to do so, if Client does not in a timely manner provide Us with information reasonably requested by Us to perform the contemplated services, refuses to cooperate with Our reasonable requests for assistance in connection with the delivery of Our services, or misrepresents any material facts. Our withdrawal will release Us from any obligation to complete the services and will constitute termination of Our engagement. Termination of Our engagement shall have no effect on either party's obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination and Client agrees to compensate Us for Our time and out-of-pocket expenses through the effective date of termination.

5. Fee Estimates and Expenses

An engagement letter may set forth specific fee amounts, hourly rates, or certain ranges for Wipfli's fees in respect of the services contemplated by the engagement letter. Where Wipfli provides an estimate of fees, Client acknowledges that Wipfli provides fee estimates as an accommodation to Client. These estimates depend on various assumptions, including without limitation: (a) anticipated cooperation from Client personnel; (b) timely responses to Our inquiries; (c) timely completion and delivery of Client assistance requests; (d) timely communication of all significant accounting and financial reporting matters; (e) the assumption that unexpected circumstances will not be encountered during the engagement; and (f) where applicable, the assumption that Client's hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Unless otherwise indicated in an engagement letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli's actual fees may vary from its fee estimates.

Unless otherwise agreed in an engagement letter, a technology and administration fee of six percent (6%) of professional fees will be added to all invoices, along with any direct travel expenses incurred. The technology and administration fee is in lieu of other direct expenses and charges which might otherwise apply. Notwithstanding the foregoing, the cost of software and software licenses or subscriptions and similar miscellaneous tools provided or acquired specifically for Client or for Client's use in connection with the performance of services may be invoiced separately.

6. Payment of Fees and Expenses

All invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on the balance due to Wipfli that is outstanding over thirty (30) days. At Our discretion, services may be suspended if Client's account becomes overdue and services will not be resumed until Client's account is paid in full. Client acknowledges and agrees that We are not required to continue services in the event of a failure to pay on a timely basis for services rendered. Client further acknowledges and agrees that in the event Wipfli suspends or terminates services as a result of Client's failure to pay as agreed on a timely basis for services rendered, Wipfli shall not be liable to Client for any damages that occur, whether direct or indirect, foreseen or unforeseen, and whether or not the parties have been advised of the possibility of such damages, and Client agrees to indemnify and hold Wipfli harmless against any such damages or claims.

7. Engagement Staffing

Wipfli expressly reserves the right to replace, in Our reasonable discretion, any of Our team members as necessary to provide quality and timely service to Client. From time to time, and depending upon circumstances, Wipfli may use third-party service providers, such as independent contractors, specialists, or vendors to assist Us in providing professional services. These parties and their personnel may be located within or outside the United States. We may also use personnel from other Wipfli-related entities (including Wipfli Advisory LLC and its wholly owned subsidiary based in India and its contractors in the Philippines). We remain responsible to Client for the supervision of all independent contractors, service providers, entities, and personnel who assist Us in rendering professional services hereunder and for protecting the confidentiality of Client information. Client hereby consents and authorizes Us to disclose Client information to the foregoing parties for the purpose of providing services to Client.

8. Confidentiality, Information Security and Electronic Information Storage

The performance of services by Wipfli may result in the parties having access to information that is confidential to one another, including, without limitation, source code, documentation, specifications, databases, system design, file layouts, tool combinations, development methods, or business or financial affairs, which may incorporate business methods, marketing strategies, pricing, competitor information, product development strategies and methods, customer lists, customer information, and financial results (collectively "Confidential Information"). Confidential Information may include information received from third parties, both written and oral, that each party is obligated to treat as confidential.

Confidential Information shall not include any information that (i) is already known by the receiving party or its affiliates, free of any obligation to keep it confidential; (ii) is or becomes publicly known through no wrongful act of the receiving party or its affiliates; (iii) is received by the receiving party from a third party without any restriction on confidentiality; (iv) is independently developed by the receiving party or its affiliates without the use of the

disclosing party's Confidential Information; (v) is disclosed to third parties by the disclosing party without any obligation of confidentiality; or (vi) is approved for release by prior written authorization of the disclosing party.

Except as permitted hereunder and necessary for the performance of services hereunder, without the advance written consent of the other party or as required by law, regulation, legal process, or to comply with professional standards applicable to a party, neither party shall disclose to a third party Confidential Information of the other party. Each party agrees to maintain at least the same procedures regarding the Confidential Information of the other as it maintains with respect to its own Confidential Information. Each party may use the Confidential Information received from the other party only in connection with fulfilling its obligations under this agreement. The parties further agree that expiration or termination of this agreement, for any reason, shall not relieve either party, nor minimize their obligations with respect to Confidential Information, as set forth herein.

Wipfli will ensure that it maintains appropriate policies, procedures and safeguards to protect the confidentiality of Client Confidential Information. In addition, We will ensure that Our agreements with all third-party service providers contain appropriate provisions to protect Client Confidential Information. We may use electronic media to transmit Client Confidential Information, and such use in itself will not constitute a breach of any security or confidentiality obligation. Client acknowledges that Wipfli has no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted, notwithstanding all reasonable security measures employed by Us. You consent to Our use of electronic devices and applications in the delivery of Our services.

Wipfli is committed to protecting personal information that can be linked to specific individuals, including health information ("Personal Data"). Any Personal Data provided to Us by Client to receive Our services will be kept confidential and not disclosed to any third party not described above (parties providing Us assistance in rendering professional services) unless necessary to deliver services, expressly permitted by Client, or required by law, regulation, legal process, or to comply with professional standards applicable to Wipfli. Client is responsible for obtaining, pursuant to law or regulation, consents from parties that provided Client with their Personal Data which will be obtained, used, and disclosed by Wipfli to render services, and Wipfli may rely on the representation that Client has obtained such consents. Notwithstanding anything to the contrary, Client acknowledges that Wipfli may collect, use, and disclose certain administrative Personal Data (such as contact information and Internet activity) to administer the contract between the parties and in accordance with Wipfli's Privacy Statement (as applicable) available at www.wipfli.com/privacy-statement.

9. Intellectual Property Rights, Client Records, Wipfli Workpapers; Use of Deliverables and Drafts

Wipfli acknowledges that all Client materials, data, or other information provided to Wipfli to permit Wipfli to perform services ("Client IP") belongs to and shall remain the property of Client. Client acknowledges that proprietary information, documents, materials, management techniques, and other intellectual property (collectively "Wipfli IP") are a material asset to Wipfli and source of services We perform for Client and others and were developed prior to performing services for Client. Client acknowledges that Wipfli LLP and/or Wipfli Advisory LLC or their affiliates (together "Wipfli Entities") owns all right, title and interest in Wipfli IP including enhancements thereto produced or developed by Wipfli throughout the duration of this engagement, excluding any pre-existing ownership right of Client and without implying any ownership interest in any Client IP, all of which shall remain the property of Client. Upon completion of the services and full payment by Client of all related invoices, the Wipfli Entities grant to Client a perpetual paid-up license to use or modify, for internal purposes only, any deliverable produced by Wipfli and actually delivered to Client (including embedded Wipfli IP), provided that any use or modification of such deliverable, other than for the purposes stated in the related engagement letter, is not authorized. In addition, Client shall not alter or remove any of the Wipfli Entities' trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of Wipfli Entities' goods, products, services, marketing material, or advertising media and shall not in any way alter any of the Wipfli Entities' products. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process, and other information shall be solely and exclusively the property of the originating party.

Client's original documents, data, books, and records are the property of Client, and it is Client's responsibility to maintain all such materials. Wipfli has no responsibility to do so unless specifically undertaken by Wipfli in an engagement letter. Workpapers, documentation, and files created by Us in the course of providing services are the property of Wipfli. We will retain workpapers, documentation, and files pursuant to Our record retention policy. In the event We are required to respond to a subpoena, court order, government regulatory inquiry, or other legal process related to Client or its management (other than a matter in which Wipfli is named as a party) for the production of workpapers, documents, files and/or testimony relative to information We obtained and/or prepared during the course of rendering services, We will, to the extent permitted by law and applicable professional standards, notify You of the matter, but You agree We have no obligation to You in the event We determine We are obligated to provide documents or other information. You agree to compensate Us for all time We expend in connection with such response, at Our regular rates, and to reimburse Us for all related out-of-pocket costs, including reasonable attorney's fees, that We may incur. Any services under this paragraph will be deemed a separate engagement subject to these Terms and Conditions.

Client agrees that Wipfli may use Client's name and logo in experience citations and in proposals, work product and deliverables provided or directed to Client pursuant to the engagement letter or otherwise. Notwithstanding any other provision of the engagement letter or these Terms and Conditions, and except as prohibited by law, Wipfli may use the information received under the engagement letter, including tax return information, in an aggregated and anonymized manner, to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings, and/or for development or performance of data analysis or other insight generation. Information developed in connection with these purposes may be used or disclosed to You or current or prospective clients to provide them services or offerings. In no event will We use or disclose the information in a way that would permit Client to be identified by third parties without Client's express consent. With respect to tax return information, Client may request in writing a more limited use and disclosure than the foregoing. The foregoing consent is valid until further notice by Client.

10. Third-Party Software, Technology Tools and Related Products and Limitations Thereon

Wipfli may use software, technology tools, or related products ("Third-Party Products") to deliver services to Client. Where Wipfli uses Third-Party Products or is engaged to provide services related to the selection, implementation, or use of Third-Party Products, Wipfli will employ commercially reasonable efforts to research, learn, and assist Client in the selection, implementation, and use of such Third-Party Products. However, Wipfli shall not be held liable for any issues, errors, or malfunctions related to or arising from the Third-Party Products not directly caused by Wipfli's fraud or willful misconduct. Client acknowledges that Wipfli does not have control over the functionality, performance, or availability of Third-Party Products and cannot assure or make any representation that the Third-Party Products are free from defects, malware, viruses, trojan horses, and similar risks. Consequently, Wipfli disclaims any warranties or guarantees, express or implied, regarding the performance, reliability, or results obtained from the use of Third-Party Products, and Client acknowledges that the use of such Third-Party Products is subject to the terms of any end user agreement associated with each of the Third-Party Products and accepts such terms. Where Client is provided access to Third-Party Products by Wipfli, Client will: 1) use and access such Third-Party Products only for the purpose for which they were provided access; 2) not tamper with, modify, or alter such Third-Party Products; and 3) comply with all reasonable instructions from Wipfli in respect of such access.

11. Allocation of Risk and Limitation of Liability

In no event will Wipfli or Client be liable to the other for claims of punitive, exemplary, consequential, special, incidental, or indirect damages, whether or not a party was advised of the possibility of such damages, regardless of whether they were foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise. Wipfli's liability for all claims, damages, and costs of Client arising from Wipfli's services performed under an engagement letter, Change Order, or otherwise shall be limited to the amount of fees paid by Client to Wipfli for the specific services which give rise to the claim for damages or, in the case of services provided in respect of an engagement which spans a period of more than twelve (12) months, the fees paid by Client to Wipfli in the twelve (12) months preceding the event giving rise to the claim. The limitation of liability in the preceding sentence shall not apply in the event of Wipfli's fraud or willful misconduct or where disallowed by applicable law, regulation, or professional standards applicable to the services performed under these Terms and Conditions. Because Wipfli will rely on Client and its management for the accuracy of the representations made to Wipfli to perform services, and except where indemnity is disallowed by applicable law, regulation, or professional standards applicable to the services performed under these Terms and Conditions, Client holds harmless and releases Wipfli and its owners and employees from all claims, liabilities, losses, and costs of any kind arising which arise from: (i) a knowing misrepresentation, withholding, or concealment of information by Client or its management; or (ii) a wrongful act by Client or a member of Client's management or ownership group.

12. Dispute Resolution; Choice of Law and Statute of Limitations

If any dispute arises regarding the subject matter hereof or services provided by Wipfli to Client, and such dispute cannot be resolved through informal negotiations and discussions, prior to resorting to litigation, the parties will try in good faith to settle the dispute by non-binding mediation administered by

the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes. Either party may request mediation, and costs of any mediation proceeding shall be shared equally. IN THE EVENT OF LITIGATION, WIPFLI AND CLIENT HEREBY AGREE NOT TO ELECT OR REQUEST A TRIAL BY JURY OF ANY ISSUE TRIABLE BY RIGHT OF JURY AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH RESPECT TO THE SERVICES, THESE TERMS AND CONDITIONS, OR ANY CLAIM, COUNTERCLAIM, OR OTHER ACTION ARISING THEREWITH.

Client acknowledges and agrees that its sole and exclusive remedy with respect to any and all claims in respect of services rendered by Wipfli LLP shall be against Wipfli LLP and no other entity or person, including without limitation Wipfli Advisory LLC. In furtherance of the foregoing, Client hereby waives, to the fullest extent permitted under law, any and all claims and causes of action for any breach of contract, tort, or other claim against such other parties and each of their respective representatives arising under or based upon any legal theory, except in the event of common law fraud or intentional misconduct.

The parties agree that any dispute arising out of Wipfli's services or these Terms and Conditions shall be governed by the laws of the state of Illinois, without regard to conflict of laws principles. Except for an action by Us to collect payment of Our invoices, Wipfli and Client agree that no claim arising out of services rendered by Wipfli shall be filed after the earlier of the expiration of the applicable statute of limitations, or in the case of any report or deliverable issued by Wipfli under the engagement letter, no later than two years from the date of such report or deliverable (or if no report or deliverable is issued, two years from the date of any related engagement letter).

13. Sanctions Compliance
In connection with Wipfli's engagement to provide services, You represent, warrant and covenant as follows: (a) You are not located, ordinarily resident, or incorporated in any jurisdiction subject to comprehensive U.S. economic sanctions (currently, Cuba, Iran, North Korea, Crimea and Russia-occupied regions of Ukraine); (b) You are not and are not owned or controlled by or acting on behalf of or for the benefit of a person or entity subject to sanctions by the US, UK or EU, including any person designated on any sanctions lists; (c) You are not otherwise a person to whom a United States-based business is prohibited or restricted from providing services under applicable laws including sanctions and trade control laws; (d) You are not and are not owned or controlled by or acting on behalf of or for the benefit of a person or entity currently debarred, suspended, proposed for debarment, or otherwise excluded from participation in any federal, state, or local process, and (e) You will not violate or cause Wipfli to violate any applicable laws, whether criminal or otherwise, including anti-corruption, anti-money laundering laws, economic sanctions and trade control laws, in connection with the services provided by Wipfli. You further agree to promptly notify Wipfli in writing if You or any individual acting for You becomes subject to any such debarment or exclusion during the term of this engagement. Wipfli reserves the right to terminate this engagement immediately upon learning of any such debarment or exclusion.

14. Regulatory Matters and Impact On Independence
Where Wipfli is (a) providing services to an entity that is registered with the SEC or an affiliate of such registrant; or (b) providing services to an entity or affiliate that is subject to professional standards more stringent than those which exist under the AICPA Code of Professional Conduct, any provision of these Terms and Conditions which would be prohibited by such professional standards or deemed to impair Wipfli's independence relative to Client under such professional standards shall not apply to the extent necessary to avoid such prohibition or independence impairment, it being the intent of Wipfli and Client to ensure Wipfli and Client's compliance with applicable professional standards in respect of Wipfli's engagement by Client and to ensure, where appropriate and necessary, Wipfli's independence from Client.

15. Certain Sales (and Similar) Tax Responsibilities
To the extent applicable, Client shall pay and be solely and exclusively liable for all sales, use, ad valorem, excise, or other taxes or governmental charges imposed on the installation, implementation, licensure, or sale of goods or services by Wipfli or third parties to Client.

16. Severability
The provisions of these Terms and Conditions shall be severable, so that the invalidity or unenforceability of any provision will not affect the validity or enforceability of the remaining provisions; provided that no such severability shall be effective if it materially changes the economic benefit of these Terms and Conditions to either party.

17. Independent Contractor Status and Non-Exclusivity
The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties. No right of exclusivity is granted, guaranteed, or implied by Wipfli by entry into an engagement letter or the performance of services. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

18. Insurance
Wipfli will carry and maintain in force at all times during the term of its engagement with Client appropriate insurance coverages, including policies covering professional liability errors and omissions, cyber liability, general liability, automotive liability, and worker's compensation.

19. Notices
All notices required to be given to either party hereunder shall be in writing and sent by email or traceable carrier to each party's address (including an email address) indicated on any engagement letter, or such other address as a party may indicate by at least ten (10) business days' prior written notice to the other party. Notices shall be effective upon receipt. A copy of such notice shall be provided to wipfli-legal@wipfli.com.

20. Counterparts and Electronic Signatures
Any document contemplated hereby may be executed in one or more counterparts, each of which will be deemed to be an original, and all of which, when taken together, will be deemed to constitute one and the same document. Each party hereto agrees that any electronic signature of a party to any document contemplated hereby is intended to authenticate such writing and shall be as valid and have the same force and effect, as a manual signature.

21. Assignment
These Terms and Conditions and related engagement letters and agreements shall be binding on the parties hereto and their respective successors and assigns. Neither party may make assignment thereof without the prior written consent of the other party, except that Wipfli may assign its rights and obligations hereunder without approval of Client to an entity that acquires all or substantially all of the assets of Wipfli or to any subsidiary, affiliate, or successor in a merger, acquisition, or change of control of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations hereunder or under any applicable engagement letter.

22. Force Majeure
Either party may suspend (or, if such suspension continues for more than thirty (30) days, terminate) its obligations (except the obligation to pay for services previously rendered) hereunder or under any engagement letter or Change Order if such obligations are delayed, prevented, or rendered impractical or impossible due to circumstances beyond its reasonable control, including, without limitation, events generally understood to be "Acts of God."

23. Alternative Practice Structure
Wipfli LLP operates in an alternative practice structure with Wipfli Advisory LLC (and its respective subsidiary entities) in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. As part of that alternative practice structure, and in connection with this engagement, We will lease from Wipfli Advisory LLC certain of its professional and administrative staff. These individuals will be under the direct control and supervision of Wipfli LLP, which is solely responsible for the performance of Our engagement. Such professional staff are subject to professional standards and contractual agreements between Wipfli LLP and Wipfli Advisory LLC requiring confidential treatment of all client information. Wipfli Advisory LLC also maintains custody of the files relating to this engagement. By signing an engagement letter, You consent to Us sharing Your confidential information in connection with this engagement or prior engagements with Wipfli Advisory LLC.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms. In these Terms and Conditions, "Wipfli" means Wipfli LLP unless the context clearly indicates otherwise.

A private fund managed by New Mountain Capital holds an interest in Wipfli Advisory LLC. We will consider any financial interests held by New Mountain Capital in You or Your affiliates, or financial interests held by You or Your affiliates in New Mountain Capital, for purposes of evaluating Our independence pursuant to professional standards. You agree to disclose any such financial interest to Us prior to the commencement of Our work and, to inform Us immediately in writing should such a financial interest arise following the commencement of Our work or execution of this agreement.

LEGAL

PROPOSED

HERITAGE HILLS METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2027

HERITAGE HILLS METROPOLITAN DISTRICT
SUMMARY
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31,

10/16/26

	ACTUAL 2025	BUDGET 2026	ACTUAL 6/30/2026	ESTIMATED 2026	BUDGET 2027
BEGINNING FUND BALANCES	$ 4,937,491	$ 5,052,172	$ 5,180,536	$ 5,180,536	$ 4,945,848
REVENUES					
Property taxes	2,311,950	2,176,138	2,106,024	2,176,364	2,258,563
Specific ownership taxes	178,016	163,210	75,774	151,548	158,099
Interest Income	245,433	180,000	107,261	214,522	170,000
Insurance proceeds	1,911	-	-	-	-
Other Revenue	19,491	10,000	7,642	8,000	10,000
Total revenues	2,756,801	2,529,348	2,296,701	2,550,434	2,596,662
TRANSFERS IN	861,927	1,410,000	200,137	791,240	349,500
Total funds available	8,556,219	8,991,520	7,677,374	8,522,210	7,892,010
EXPENDITURES					
General Fund	1,651,829	2,105,000	760,084	1,993,882	1,771,500
Capital Projects Fund	861,927	1,410,000	200,137	791,240	349,500
Total expenditures	2,513,756	3,515,000	960,221	2,785,122	2,121,000
TRANSFERS OUT	861,927	1,410,000	200,137	791,240	349,500
Total expenditures and transfers out requiring appropriation	3,375,683	4,925,000	1,160,358	3,576,362	2,470,500
ENDING FUND BALANCES	$ 5,180,536	$ 4,066,520	$ 6,517,016	$ 4,945,848	$ 5,421,510
EMERGENCY RESERVE	$ 82,800	$ 75,900	$ 69,000	$ 76,600	$ 77,900
OPERATIONS RESERVE	500,000	500,000	500,000	500,000	500,000
CAPITAL RESERVE	4,597,736	3,490,620	5,948,016	4,369,248	4,843,610
TOTAL RESERVE	$ 5,180,536	$ 4,066,520	$ 6,517,016	$ 4,945,848	$ 5,421,510

See summary of significant assumptions.

HERITAGE HILLS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31,

10/16/26

	ACTUAL 2025	BUDGET 2026	ACTUAL 6/30/2026	ESTIMATED 2026	BUDGET 2027
ASSESSED VALUATION					
Residential - single family	$ 69,275,560	$ 65,157,510	$ 65,157,510	$ 65,157,510	$ 67,590,110
State assessed	5,700	5,600	5,600	5,600	6,100
Personal property	598,400	587,200	587,200	587,200	644,500
Certified Assessed Value	$ 69,879,660	$ 65,750,310	$ 65,750,310	$ 65,750,310	$ 68,240,710
MILL LEVY					
General	33.097	33.097	33.097	33.097	33.097
Total mill levy	33.097	33.097	33.097	33.097	33.097
PROPERTY TAXES					
General	$ 2,312,807	$ 2,176,138	$ 2,176,138	$ 2,176,138	$ 2,258,563
Levied property taxes	2,312,807	2,176,138	2,176,138	2,176,138	2,258,563
Adjustments to actual/rounding	(857)	-	(70,340)	-	-
Refunds and abatements	-	-	226	226	-
Budgeted property taxes	$ 2,311,950	$ 2,176,138	$ 2,106,024	$ 2,176,364	$ 2,258,563
BUDGETED PROPERTY TAXES					
General	**$ 2,311,950**	**$ 2,176,138**	**$ 2,106,024**	**$ 2,176,364**	**$ 2,258,563**
	$ 2,311,950	**$ 2,176,138**	**$ 2,106,024**	**$ 2,176,364**	**$ 2,258,563**

See summary of significant assumptions.

HERITAGE HILLS METROPOLITAN DISTRICT
GENERAL FUND
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31,

10/16/26

	ACTUAL 2025	BUDGET 2026	ACTUAL 6/30/2026	ESTIMATED 2026	BUDGET 2027
BEGINNING FUND BALANCES	$ 4,937,491	$ 5,052,172	$ 5,180,536	$ 5,180,536	$ 4,945,848
REVENUES					
Property taxes	2,311,950	2,176,138	2,106,024	2,176,364	2,258,563
Specific ownership taxes	178,016	163,210	75,774	151,548	158,099
Interest Income	245,433	180,000	107,261	214,522	170,000
Other Revenue	19,491	10,000	7,642	8,000	10,000
Insurance proceeds	1,911	-	-	-	-
Total revenues	2,756,801	2,529,348	2,296,701	2,550,434	2,596,662
Total funds available	7,694,292	7,581,520	7,477,237	7,730,970	7,542,510
EXPENDITURES					
General and administrative					
Accounting	63,794	75,000	35,936	58,000	61,000
Auditing	6,996	7,000	7,314	7,314	7,500
County Treasurer's Fee	34,709	32,642	31,593	32,645	33,878
Directors' fees	6,300	7,500	2,700	6,000	7,500
Dues and Membership	1,650	2,000	1,238	1,238	2,000
Public relations	11,422	35,000	4,585	10,000	20,000
Insurance	25,177	28,000	28,560	28,560	30,000
District management	79,737	90,000	43,107	90,000	80,000
Legal	128,812	140,000	67,330	130,000	120,000
Miscellaneous	8,054	7,500	7,396	14,000	10,000
Election	28,657	-	-	-	30,000
Property Management	85,134	85,000	45,773	92,000	80,000
Website	2,038	5,000	1,807	2,500	2,000
Contingency	-	15,953	-	-	17,372
Total General and administrative	482,480	530,595	277,339	472,257	501,250
Operations and maintenance					
Street lighting	10,992	20,000	11,864	27,000	25,000
Landscaping	382,260	469,905	134,425	622,725	351,000
Engineering	1,223	5,000	1,136	2,000	2,250
Fence and sign maintenance	21,050	15,000	1,320	3,000	5,000
Street maintenance	74,763	165,000	6,065	63,900	91,000
Recreational expense	230,785	247,000	135,828	223,500	221,000
Gated entrance	145,969	196,000	119,975	240,500	160,000
Snow removal	114,098	250,000	20,479	140,000	200,000
Utilities	125,955	130,000	35,373	120,000	135,000
Seasonal lights	62,254	76,500	16,280	79,000	80,000
	1,169,349	1,574,405	482,745	1,521,625	1,270,250
Total expenditures	1,651,829	2,105,000	760,084	1,993,882	1,771,500
TRANSFERS OUT					
Transfers to other fund	861,927	1,410,000	200,137	791,240	349,500
Total expenditures and transfers out requiring appropriation	2,513,756	3,515,000	960,221	2,785,122	2,121,000
ENDING FUND BALANCES	$ 5,180,536	$ 4,066,520	$ 6,517,016	$ 4,945,848	$ 5,421,510
EMERGENCY RESERVE	$ 82,800	$ 75,900	$ 69,000	$ 76,600	$ 77,900
OPERATIONS RESERVE	500,000	500,000	500,000	500,000	500,000
CAPITAL RESERVE	4,597,736	3,490,620	5,948,016	4,369,248	4,843,610
TOTAL RESERVE	$ 5,180,536	$ 4,066,520	$ 6,517,016	$ 4,945,848	$ 5,421,510

See summary of significant assumptions.

HERITAGE HILLS METROPOLITAN DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURE DETAILS
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31,

10/16/26

	ACTUAL 2025	BUDGET 2026	ACTUAL 6/30/2026	ESTIMATED 2026	BUDGET 2027
EXPENDITURES					
Landscaping					
LS Maint - Irrigation	$ 24,474	$ 40,000	$ 16,513	$ 50,000	$ 35,000
LS Maint - Maint contract	170,720	175,800	105,931	221,000	160,000
LS Maint - Remulching	-	-	-	117,157	25,000
LS Maint - Annual color installation	44,450	42,700	-	-	15,000
LS Maint - Japanese beetle/grub	-	4,880	-	1,133	5,000
LS Maint - Tree pruning/removal	32,414	50,000	-	20,000	25,000
LS Maint - Tree care program	30,300	69,525	-	60,000	39,000
LS Maint - Additional turf care	41,130	31,000	2,046	34,435	10,000
LS Maint - Additional projects	22,371	18,000	1,735	100,000	15,000
LS Maint - Deep root water trees	16,400	17,000	8,200	19,000	22,000
LS Maint - Topdress Mulch	-	15,000	-	-	-
LS Maint - Mulch annual beds	-	6,000	-	-	-
Total Landscaping	382,259	469,905	134,425	622,725	351,000
Fence and sign maintenance					
Fence and sign maintenance	21,050	-	-	-	-
Fence/sign - Monument	-	15,000	1,320	3,000	5,000
Total Fence and sign maintenance	21,050	15,000	1,320	3,000	5,000
Street maintenance					
Street Repair and Maintenance	72,193	85,000	5,750	55,000	60,000
Street Light Painting	-	13,000	-	-	13,000
Concrete Repairs	2,570	60,000	315	5,000	10,000
Street sweeping	-	7,000	-	3,900	8,000
Total Street maintenance	74,763	165,000	6,065	63,900	91,000
Recreational expense					
Rec - Century Link	1,056	-	-	-	-
Rec - Pool monitoring & repairs	-	10,000	1,276	2,000	10,000
Rec - Clubhouse cleaning	1,010	5,000	2,813	5,000	5,000
Rec - Pool maint/lifeguards	223,469	172,000	122,742	175,500	180,000
Rec - Pool Chemicals	-	30,000	-	13,000	18,000
Rec - Tennis court R&M	2,680	10,000	4,532	6,000	5,000
Rec - Misc. building maint & repairs/furniture	2,571	5,000	-	1,000	3,000
Rec - Pool repairs & maintenance	-	15,000	4,465	21,000	-
Total Recreational expense	230,786	247,000	135,828	223,500	221,000
Engineering					
Stormwater management	1,223	5,000	1,136	2,000	2,250
Total Engineering	1,223	5,000	1,136	2,000	2,250
Gated entrance					
Gated Entr-Internet Service	15,225	17,000	5,768	15,000	17,000
GatedEntr-Gate R&M	91,761	65,000	36,300	75,000	55,000
GatedEntr-Security	38,983	100,000	77,628	150,000	-
GatedEntr-Oversized Vehicle Access	-	14,000	280	500	3,000
GatedEntr-Community by MyQ App	-	-	-	-	30,000
GatedEntr-Community by Flock Cameras	-	-	-	-	-
GatedEntr-Support	-	-	-	-	55,000
Total Gated entrance	145,969	196,000	119,976	240,500	160,000
Street Lighting	10,992	20,000	11,864	27,000	25,000
Seasonal Lights	62,254	76,500	16,280	79,000	80,000
Snow Removal	114,098	250,000	20,479	140,000	200,000
Utilities	125,955	130,000	35,372	120,000	135,000
	$ 1,169,349	**$ 1,574,405**	**$ 482,745**	**$ 1,521,625**	**$ 1,270,250**

See summary of significant assumptions.

HERITAGE HILLS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31,

10/16/26

	ACTUAL 2025	BUDGET 2026	ACTUAL 6/30/2026	ESTIMATED 2026	BUDGET 2027
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -	$ -
REVENUES					
Total revenues	-	-	-	-	-
TRANSFERS IN					
Transfers from other funds	861,927	1,410,000	200,137	791,240	349,500
Total funds available	861,927	1,410,000	200,137	791,240	349,500
EXPENDITURES					
General and Administrative					
Accounting	9,047	10,000	-	-	-
District management	108,472	10,000	-	-	-
Legal	368	10,000	-	-	5,000
Capital Projects					
Community improvement	183,206	20,000	5,082	10,000	-
Median Project - Phase 2	-	85,000	-	75,000	27,500
Rock Installation	-	150,000	-	-	-
Landscaping	-	-	6,240	6,240	8,500
Overlook Park improvements	56,916	400,000	12,868	350,000	-
Overlook Park Playgrounds	-	75,000	-	-	10,000
Fence Replacement	-	25,000	-	-	5,000
Willow Creek Trail	-	100,000	24,986	170,000	20,000
New/replacement trees	-	40,000	-	-	20,000
Brick wall	1,946	30,000	18,458	30,000	120,000
Gated Entrance - gates	61,672	25,000	-	-	-
Gated Entrance - cameras	21,672	10,000	-	-	3,500
Streets	297,966	300,000	123,217	130,000	110,000
Engineering - other	120,662	120,000	9,286	20,000	20,000
Total expenditures	861,927	1,410,000	200,137	791,240	349,500
Total expenditures and transfers out requiring appropriation	861,927	1,410,000	200,137	791,240	349,500
ENDING FUND BALANCES	$ -	$ -	$ -	$ -	$ -

See summary of significant assumptions.

HERITAGE HILLS METROPOLITAN DISTRICT
2027 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Heritage Hills Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court in Douglas County on July 12, 1996, and is governed pursuant to provisions of the Colorado Special District Act (Title 21, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado. The District was established for the purpose of providing facilities including public street improvements, storm sewer facilities, and park and recreation facilities, in addition to operating and maintaining such facilities, or transferring them to other political subdivisions for operations and maintenance. Furthermore, the District was formed for the purpose of operating and maintaining streets owned by the Heritage Hills Homeowners Association, Inc., as well as District-owned security facilities.

In August 2001, Heritage Hills Metropolitan District was annexed into the City of Lone Tree ("City"). As part of the annexation agreement, the City provides trash collection and police protection services for residents within the District.

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 C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, 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.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Revenues - (continued)

Property Taxes – (continued)

For property tax collection year 2027, HB24B-1001 set the assessment rates as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.80%		Renewable Energy Land	26.00%		Single-Family Residential	10% capped at $70,000
Multi-Family Residential	6.80%		Vacant Land	26.00%			
Commercial	25.00%		Personal Property	26.00%			
Industrial	26.00%		State Assessed	26.00%			
Lodging	26.00%		Oil & Gas Production	87.50%			
Agricultural Land	25.00%		Oil & Gas Pipelines	26.00%			

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 7.0% of the property taxes collected by the General Fund.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 3.5%.

Other Income

Other income includes various miscellaneous revenues including clubhouse rental fees and transponder fees.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include legal, accounting and management costs as well as costs to maintain the common area landscaping and fencing, recreational facilities and activities, security gates, and streets. Estimated costs for these expenditures are based upon prior year's costs, current year's scope of services, as well as negotiated maintenance contracts.

Expenditures – (continued)

Capital Outlay

The District anticipates capital improvements as noted in the Capital Projects Fund.

Debt & Leases

The District has no outstanding debt, capital or operating leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending as defined under TABOR.

Operations Reserve

The District maintains a reserve for operations of $500,000.

Capital Reserve

The District has provided for a capital reserve for future capital projects and replacements.

This information is an integral part of the accompanying budget.