

THE LAKES METROPOLITAN DISTRICT NO. 1
2023 ANNUAL REPORT

Pursuant to §32-1-207(3), C.R.S. and the First Amended and Restated Service Plan for The Lakes Metropolitan District No. 1 (the “**District**”), the District is required to submit an annual report to the Brighton City Clerk not later than March 1 of each calendar year.

For the year ending December 31, 2023, the District makes the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

The District’s boundaries were not changed in the report year.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

Attached as **Exhibit A** are copies of the District’s Intergovernmental Agreements:

- Amended and Restated IGA with City of Brighton
- District Coordinating Services Agreement with The Lakes Metropolitan District Nos. 3-6
- Capital Improvement Pledge Agreement with The Lakes Metropolitan District Nos. 1 & 3, as amended by that First Amendment to Capital Improvements Pledge Agreement and that Assignment of and Second Amendment to Capital Improvements Pledge Agreement
- Capital and Operations Cost Pledge Agreement with The Lakes Metropolitan District Nos. 1, 3, 4
- Cost Sharing and Reimbursement Agreement with The Lakes Metropolitan District Nos. 3-6

3. Access information to obtain a copy of rules and regulations adopted by the board.

The District has not adopted any rules or regulations.

Information on the District can be found on the District’s website at www.thelakesmetrodistricts.com.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Adams County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s Public Improvements as of December 31, 2023.

5. The status of the construction of public improvements by the District.

No development has occurred within the boundaries of the District during the report year.

6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

None. Infrastructure development within the boundaries of the District is not complete, dedicated or accepted by the City.

7. The final assessed valuation of the District as of December 31st of the reporting year.

The final assessed valuation was \$104,050,010

8. A copy of the current year's budget.

A copy of the 2024 Budget is attached hereto as **Exhibit B**.

9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2023 Audit Exemption Application is in progress and will be provided as a supplement to the annual report once completed.

Attached as **Exhibit C** is a copy of the 2022 Audit Exemption Application.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

The District has not received any notice of any uncured events of default by the District under any debt instrument in the reporting year.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

The District has the ability to pay its obligations as they become due and payable.

Service Plan Requirements

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.

The District's boundaries were not changed in the report year.

2. Copy of the District's budget resolution for the current year and any budget amendments from the prior year.

Copies of the District's 2024 Budget is attached as **Exhibit B**.

The District did not amend the 2023 Budget.

3. Copy of the District's rules and regulations, if any, as of December 31 of the prior year.

No rules or regulations were adopted by the District during the report year.

4. Copy of any resolutions or Fee schedules adopted by the District relating to the imposition of Fees, Public Improvement Fees, or Special Assessments by the District.

No fees, public improvement fees, or special assessments were imposed by the District during the report year.

5. Copy of any intergovernmental agreements among the Districts relating to the issuance of Debt, the financing of Public Improvements, or the construction, operation and maintenance of any of the Public Improvements.

Attached as **Exhibit A** are copies of the District's Intergovernmental Agreements:

- Amended and Restated IGA with City of Brighton
- District Coordinating Services Agreement with The Lakes Metropolitan District Nos. 3-6
- Capital Improvement Pledge Agreement with The Lakes Metropolitan District Nos. 1, 3, as amended by that First Amendment to Capital Improvements Pledge Agreement and that Assignment of and Second Amendment to Capital Improvements Pledge Agreement
- Capital and Operations Cost Pledge Agreement with The Lakes Metropolitan District Nos. 1, 3, 4
- Cost Sharing and Reimbursement Agreement with The Lakes Metropolitan District Nos. 3-6

6. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.

To our actual knowledge, based on a review of the court records in Adams County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District's Public Improvements as of December 31, 2023.

7. Status of the District's construction of the Public Improvements as of December 31

of the prior year.

No development has occurred within the boundaries of the District during the report year.

- 8. A list of all Public Improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.**

None. Infrastructure development within the boundaries of the District is not complete, dedicated, or accepted by the City.

- 9. A list of all Public Improvements that are owned and/or Operated and Maintained by the District, including identification of the standards by which the Public Improvements are required to be Operated and Maintained.**

None. Infrastructure development within the boundaries of the District is not complete, dedicated, or accepted by the City.

- 10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.**

The District has not received any notice of any uncured events of default by the District during the report year.

- 11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.**

The District has the ability to pay its obligations as they come due.

- 12. Any alteration or revision of the proposed schedule of Debt issuance set forth in the Financial Plan.**

There has been no alteration or revision of the proposed schedule of Debt issuance set forth in the Financial Plan of the First Amended and Restated Service Plan which was amended in Amendment 1 to First Amended and Restated Service Plan on September 7, 2021.

EXHIBIT A

Intergovernmental Agreements

AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT

THIS AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT is made and entered into by and between the **City of Brighton, Colorado**, a municipal corporation of the State of Colorado (the “City”), and **The Lakes Metropolitan District No. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”).

RECITALS

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the First Amended and Restated Service Plan dated December 19, 2017, as amended by that Certain Amendment No. 1 to Service Plan approved on September 7, 2021, and as may be further amended from time to time by City approval (the “Service Plan”); and

WHEREAS, the Service Plan requires the execution of an intergovernmental agreement between the City and the District; and

WHEREAS, the City and the District are parties to an Intergovernmental Agreement between the City and the District entered into in 2017; and

WHEREAS, the City and the District have determined it to be in their best interests to enter into this Amended and Restated Intergovernmental Agreement (“Agreement”); and

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

COVENANTS AND AGREEMENTS

1. Incorporation by Reference. The Service Plan is hereby incorporated in this agreement by this reference. The District agrees to comply with all provisions of the Service Plan, as it may be amended from time to time in accordance with the provisions thereof, and Title 32, Article 1, C.R.S. (the “Special District Act”).

2. Maintenance of Public Improvements. The District agrees that it shall maintain the following Public Improvements, as shown by Exhibit A attached hereto and made a part hereof.

3. Parks and Recreation. The District is hereby authorized to operate and maintain public recreation facilities, community centers, and local parks that are smaller than 5 acres in size. It is intended that the District’s authority to operate and maintain other Public Improvements, if any, shall be subject to and performed in accordance with City Approvals.

4. Water Rights/Resources. To the extent the City requires a developer of property within the Project to obtain and/or develop water rights or resources for a non-potable water system, the District shall be authorized to accept an assignment of and perform such obligation.

5. Notice to Property Owners. The District agrees that it shall record a Notice of Inclusion in Metropolitan District substantially in the form attached hereto as Exhibit B on all property located within the District's boundaries.

6. Enforcement. The parties agree that this Agreement may be enforced in law, or in equity for specific performance, injunctive, or other appropriate relief. The parties also agree that this Agreement may be enforced pursuant to Section 32-1-207, C.R.S. and other provisions of the Special District Act granting rights to municipalities or counties approving a service plan of a special district.

7. Entire Agreement of the Parties. This Agreement constitutes the entire agreement between the parties and supersedes all prior written or oral agreements, negotiations, or representations and understandings of the parties with respect to the subject matter contained herein.

8. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the parties hereto.

9. Governing Law; Venue. The internal laws of the State of Colorado shall govern the interpretation and enforcement of this Agreement, without giving effect to choice of law or conflict of law principles. The parties hereby submit to the jurisdiction of and venue in the district court in Adams County, Colorado. In any proceeding brought to enforce the provisions of this Agreement, the prevailing party therein shall be entitled to an award of reasonable attorneys' fees, actual court costs and other expenses incurred.

10. Beneficiaries. Except as otherwise stated herein, this Agreement is intended to describe the rights and responsibilities of and between the named parties and is not intended to, and shall not be deemed to confer any rights upon any persons or entities not named as parties.

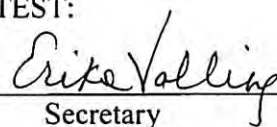
11. Effect of Invalidity. If any portion of this Agreement is held invalid or unenforceable for any reason by a court of competent jurisdiction as to either party or as to both parties, such portion shall be deemed severable and its invalidity or its unenforceability shall not cause the entire agreement to be terminated.

12. Assignability. Neither the City nor the District shall assign their rights or delegate their duties hereunder without the prior written consent of the other party.

13. Successors and Assigns. This Agreement and the rights and obligations created hereby shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**THE LAKES METROPOLITAN DISTRICT
NO. 1**

BY: 
President

ATTEST:
By: 
Secretary

CITY OF BRIGHTON, COLORADO

By: 
Mayor

ATTEST:
By: 
City Clerk

Exhibit A to Intergovernmental Agreement

Public Improvements to be Maintained by the District

The improvements the District will be authorized to operate and maintain (in addition to those referenced in Paragraphs 3 and 4 of this Intergovernmental Agreement) shall, in accordance with Section IV.A.1 of the Amended and Restated Service Plan, be determined in connection with future City Approvals.

Exhibit B to Intergovernmental Agreement

NOTICE OF INCLUSION IN METROPOLITAN DISTRICT AND POSSIBLE PROPERTY TAX CONSEQUENCES

Legal description of the property;

See Exhibit A attached hereto and incorporated by reference

This property is located in the following metropolitan district:

_____ Metropolitan District No. __ (the “District”)

In addition to standard property tax identified on the next page, this property is subject to a metropolitan district mill levy (another property tax) of up to:

___ mills, subject to Mill Levy Adjustment, as described in the District’s Service Plan

Based on the property’s inclusion in the metropolitan district, a commercial parcel with a sale price of \$100,000 could result in ADDITIONAL annual property taxes up to:

\$_____

Based on the property’s inclusion in the metropolitan district, a residential parcel with a sale price of \$300,000 could result in ADDITIONAL annual property taxes up to:

\$_____

The next page provides examples of estimated total annual property taxes that could be due on this property, first if located outside the District and next if located within the District. **Note: property that is not within the District would not pay the ADDITIONAL amount.**

The District’s Board of Directors can be reached as follows;

[Address, e-mail address and phone number]

You may wish to consult with: (1) the Adams County Assessor’s Office to determine the specific amount of District property taxes currently due on this property; and (2) the District’s Board of Directors to determine if the District’s Service Plan has been amended.

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Commercial Property with \$100,000 Actual Value Without the District Mill Levy

| Taxing Entity | Mill Levies (20__**) | Annual Tax Levied |
|---------------------------------------------------|-------------------------|----------------------|
| Adams County | | |
| City of Brighton | | |
| Rangeview Library District | | |
| Central Colorado Water Conservancy District | | |
| Brighton Fire District No. 6 | | |
| School District No. 27 | | |
| Urban Drainage South Platte | | |
| Urban Drainage and Flood Control | | |
| TOTAL | | |

Annual Tax Levied on Commercial Property with \$100,000 Actual Value With the District Mill Levy (Assuming Maximum District Mill Levy)

| Taxing Entity | Mill Levies (20__**) | Annual Tax Levied |
|---------------------------------------------------|-------------------------|----------------------|
| Adams County | | |
| City of Brighton | | |
| Rangeview Library District | | |
| Central Colorado Water Conservancy District | | |
| Brighton Fire District No. 6 | | |
| School District No. 27 | | |
| Urban Drainage South Platte | | |
| Urban Drainage and Flood Control | | |
| _____ Metropolitan District | | |
| TOTAL | | |

Annual Tax Levied on Residential Property with \$300,000 Actual Value Without the District Mill Levy

| Taxing Entity | Mill Levies (20__**) | Annual Tax Levied |
|---------------------------------------------------|---------------------------------|------------------------------|
| Adams County | | |
| City of Brighton | | |
| Rangeview Library District | | |
| Central Colorado Water Conservancy District | | |
| Brighton Fire District No. 6 | | |
| School District No. 27 | | |
| Urban Drainage South Platte | | |
| Urban Drainage and Flood Control | | |
| TOTAL | | |

Annual Tax Levied on Residential Property with \$300,000 Actual Value With the District Mill Levy (Assuming Maximum District Mill Levy)

| Taxing Entity | Mill Levies (20__**) | Annual Tax Levied |
|---------------------------------------------------|---------------------------------|------------------------------|
| Adams County | | |
| City of Brighton | | |
| Rangeview Library District | | |
| Central Colorado Water Conservancy District | | |
| Brighton Fire District No. 6 | | |
| School District No. 27 | | |
| Urban Drainage South Platte | | |
| Urban Drainage and Flood Control | | |
| _____ Metropolitan District | | |
| TOTAL | | |

**This estimate of mill levies is based upon mill levies certified by the Adams County Assessor's Office in December 20__ for collection in 20__ and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Adams County Assessor's Office to obtain accurate and current information.









EXHIBIT A
TO NOTICE OF INCLUSION IN METROPOLITAN DISTRICT

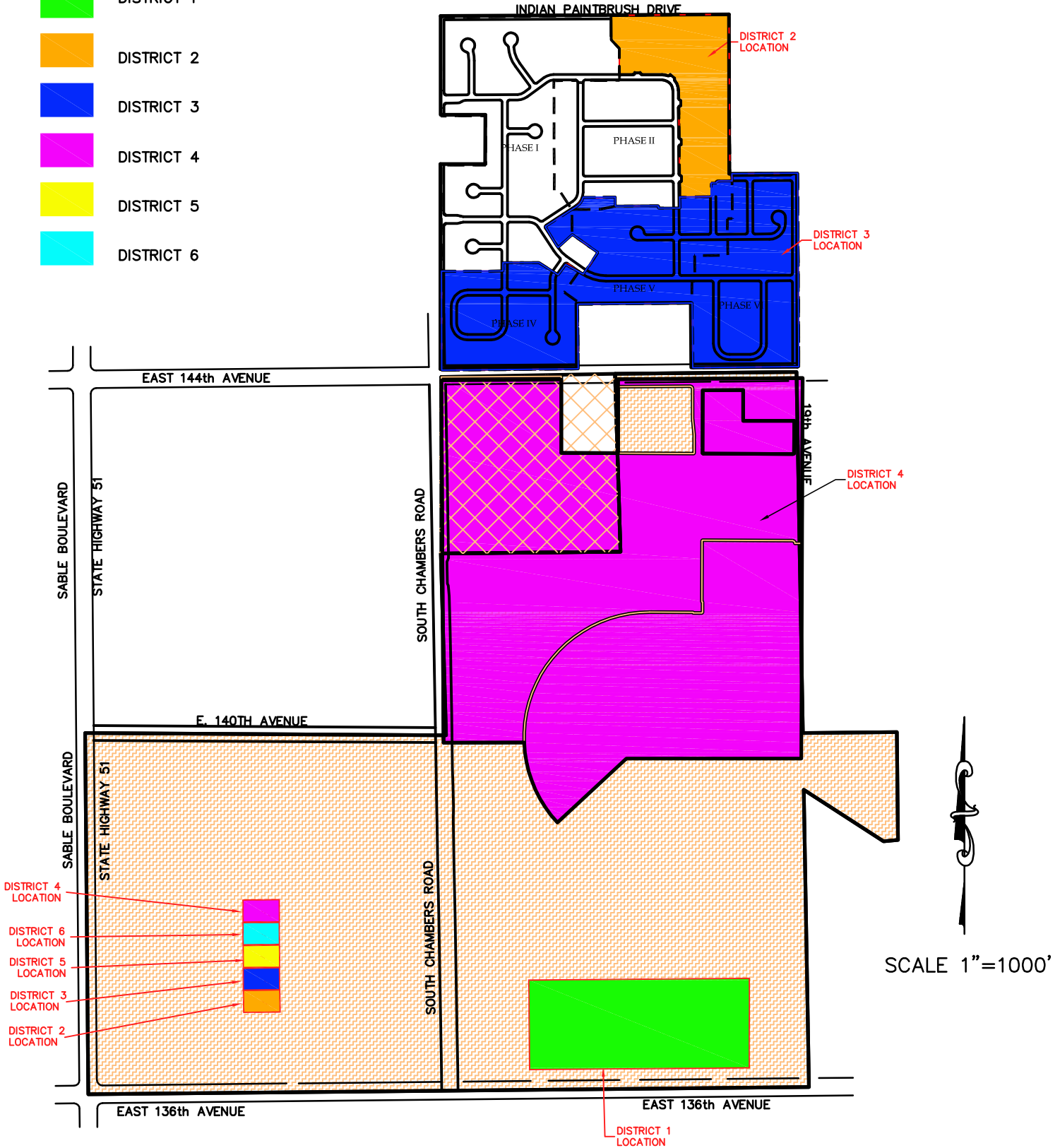
The Property

THE LAKES METROPOLITAN DISTRICT

ADAMS COUNTY, COLORADO

DISTRICT LOCATION MAP

-  ADDITIONAL FUTURE INCLUSION AREA
-  OVERALL INCLUSION AREA
-  DISTRICT 1
-  DISTRICT 2
-  DISTRICT 3
-  DISTRICT 4
-  DISTRICT 5
-  DISTRICT 6



DISTRICT COORDINATING SERVICES AGREEMENT

This **DISTRICT COORDINATING SERVICES AGREEMENT** (this “**Agreement**”) is made and entered as of June 19, 2018 (the “**Effective Date**”), by and among **THE LAKES METROPOLITAN DISTRICT NO. 1** (the “**Coordinating District**”) and **THE LAKES METROPOLITAN DISTRICT NOS. 3-6** (each a “**Financing District**”, and collectively the “**Financing Districts**”), individually and/or collectively referred to as the “**District**” or the “**Districts**,” as the context indicates. Said Districts are each quasi-municipal corporations and political subdivisions of the State of Colorado.

RECITALS

WHEREAS, the Districts have been duly and validly organized as quasi-municipal corporations and political subdivisions of the State of Colorado, in accordance with the provisions of Article 1, Title 32, Colorado Revised Statutes (the “**Special District Act**”), with the power to provide for the financing, construction, installation, operation and maintenance of public infrastructure and improvements, as described in the Special District Act, within and without their respective boundaries, as authorized and in accordance with the Service Plan for the Districts, as the same may be amended from time to time (the “**Service Plan**”); and

WHEREAS, pursuant to the Colorado Constitution Article XIV, Section 18(2)(a), and § 29-1-203, C.R.S., the Districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide, *inter alia*, for the sharing of costs, the imposition of taxes, and the incurring of debt; and

WHEREAS, § 29-1-201, C.R.S. permits and encourages governments to make the most efficient and effective use of their powers and responsibilities by cooperating and contracting with other governments; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the Districts are empowered to enter into contracts and agreements affecting the affairs of the Districts; and

WHEREAS, the Districts were organized for the purpose of providing for the financing, construction, installation, operation and maintenance of public infrastructure and improvements serving an approximately 525-acre mixed-use development in the City of Brighton (the “**City**”), Adams County (the “**County**”), Colorado, referred to as “**The Lakes**” (the “**The Lakes Development**”).

WHEREAS, at elections of the qualified electors of each of the Districts, duly called and held on November 7, 2006 (District Nos. 1-4) and on May 8, 2018 (District Nos. 5 & 6) (the “**Election**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, *inter alia*, the imposition of taxes for the purpose of providing certain public improvements and facilities (such public improvements and facilities, to the extent authorized by the Service Plan, are referred to herein as the “**Public**

Improvements”) and entering into intergovernmental agreements or other contracts, without limit as to term, with other governmental entities and political subdivisions of the state; and

WHEREAS, it is anticipated that certain of the Public Improvements will be dedicated or otherwise conveyed to the City, the County, or other public entity, or to an owners association within the boundaries of the Districts, and that the Coordinating District: (i) will own, operate and maintain all Public Improvements within the boundaries of the Districts that are not dedicated to the City, County, any other public entity, or an owners association; and (ii) may provide trash service, architectural review, and covenant enforcement services to all or a portion of the property within the boundaries of the Districts; and

WHEREAS, the Districts have evaluated their respective roles, responsibilities and obligations with respect to the provision of administrative services, and ownership, operation and maintenance of certain of the Public Improvements, and desire to enter into this Agreement for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts and costs related to the continued operation and maintenance of certain of the Public Improvements within such Districts which serve, and are for the benefit of, the Districts and the residents and taxpayers thereof; and

WHEREAS, based on the integrated nature of the Public Improvements and that the Districts are part of an integrated project and coordination is necessary to maintain the integrity of the project, the Districts have independently determined that implementation of this Agreement is essential to the orderly administration of the affairs of the Districts and the coordinated operation and maintenance of Public Improvements benefiting the Districts, their residents and taxpayers; and

WHEREAS, the Districts have determined that coordination is also necessary to allow the Districts to operate in the most cost effective manner and to take advantage of economies of scale by eliminating the duplication of costs that would result without such coordination; and

WHEREAS, the Districts acknowledge that this Agreement does not impose any obligations on the Districts with respect to capital costs for the Public Improvements; and

WHEREAS, it is in the best interest of the Districts and for the public health, safety, convenience, and welfare of the residents of the Districts and of the general public that the District enter into this Agreement for the purpose of coordination of the Administrative Services and O&M Services, both as defined herein.

AGREEMENT

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

1. Administrative Services. The Coordinating District agrees to perform the administrative services described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Administrative Services**”) for the Financing Districts, in compliance with all applicable federal, state, county and local or municipal body or agency statutes, ordinances and regulations, provided that each Financing District observes and performs the covenants and agreements set forth in this Agreement. The Coordinating District may suspend or curtail Administrative Services in its discretion as necessary or appropriate to address funding shortfalls that have occurred or are anticipated. The Coordinating District shall have the authority to enter into service contracts with third-parties to provide any Administrative Services required to be provided by the Coordinating District. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in Exhibit A, the terms in the body of this Agreement shall govern.

2. Ownership, Operation and Maintenance of Public Improvements. The Coordinating District will own, operate and maintain all Public Improvements within the boundaries of the Districts that are not otherwise dedicated or conveyed to the City, the County or other public entity or owner’s association, in accordance with the Service Plan and any approved development plans for the Project. The Coordinating District agrees to provide those operation and maintenance services described in **Exhibit B**, attached hereto and incorporated herein by this reference (the “**O&M Services**”) for the benefit of the Districts, provided that the Financing District observes and performs the covenants and agreements set forth in this Agreement. The Coordinating District may suspend or curtail O&M Services in its discretion as necessary or appropriate to address funding shortfalls that have occurred or are anticipated. The Coordinating District shall have the authority to enter into service contracts with third-parties to provide any O&M Services required to be provided by the Coordinating District. The Coordinating District may adopt rules, regulations, policies and procedures governing the Coordinating District’s acceptance and, as applicable, reimbursement for any Public Improvements.

3. Payment for Administrative and O&M Services. The Financing District shall be responsible for any and all costs, fees, charges and expenses incurred by the Coordinating District (collectively, the “**Costs**”) in providing the Administrative Services and O&M Services (collectively, the “**Services**”). Costs may include but are not limited to, all fees of consultants (including managers, accountants, engineers, attorneys and other consultants), utility charges, and service provider fees and charges. It is the desire and intent of the Districts that, to the extent possible, the Costs for the Services be paid by the imposition by the Financing District of an ad valorem mill levy against the taxable property lying within its boundaries. Nevertheless, nothing herein shall be construed as a limitation on the powers granted to the Financing District by Colorado law to use alternative sources of revenue to pay the Coordinating District for the Costs.

4. Budget Process

a. Preliminary Budget. Each year the Coordinating District shall prepare and submit to the Financing District a preliminary budget for the following fiscal year showing (i) the Services to be provided and the proposed Costs anticipated to be incurred by the

Coordinating District with respect to the Services (the “**Preliminary Budget**”). The Coordinating District shall deliver the Preliminary Budget to the Financing District on or before October 15 of each year.

b. Budget Review and Approval. Unless otherwise agreed to by the Districts, on or before November 1 of each year the Financing District shall either: (a) approve the Preliminary Budget (in which case the Preliminary Budget shall become the “Final Budget” for the applicable fiscal year, or (b) propose in writing to the Coordinating District additions to and/or deletions from the Preliminary Budget. If any Financing District does not provide a proposal for additions to and/or deletions from the Preliminary Budget in writing by November 1, such Financing District shall be deemed to have approved the Preliminary Budget as presented. If any Financing District does timely provide additions to and/or deletions from the Preliminary Budget, the Districts shall discuss and attempt in good faith to reach an agreement with respect to the Preliminary Budget on or before November 15 of each year.

c. Failure to Agree and Default Budget. In the event that the Coordinating District and the Financing District are unable to agree with regard to any proposed additions and/or deletions to the Preliminary Budget by November 15 of any year, then the Districts shall submit the Preliminary Budget to a mutually selected mediator in an attempt to reach agreement with respect to the Preliminary Budget. In the event the Districts cannot agree on a resolution to the dispute related to the Preliminary Budget by December 1st of any year, the Preliminary Budget with any revisions thereto agreed to by the Districts shall be the Final Budget; provided, however, that such Final Budget shall not include expenditures totaling the greater of: (1) 120% of the expenditures set forth and appropriated in the Final Budget for the current year, as the same may have been amended, or (2) 120% of the expenditures set forth in the Preliminary Budget that the Districts have agreed upon; and budgeting, appropriation, and payments of the amounts called for in said Final Budget shall be made by the Financing Districts.

d. Budget Amendment. If after adoption of the Final Budget it appears to the Coordinating District that Costs for the year will exceed amounts as set forth in the Final Budget such that the Financing District will have to appropriate additional funds for the payment of the Costs for the year, the Coordinating District shall notify the Financing District as soon as reasonably practicable, and shall prepare and submit a proposed budget amendment to the Final Budget (each a “**Preliminary Budget Amendment**”) to the Financing District for review and comment. Within fifteen (15) days of submission of a Preliminary Budget Amendment to the Financing Districts, the Financing Districts shall either: (a) approve the Preliminary Budget Amendment (in which case the Preliminary Budget Amendment shall become the “Final Budget Amendment”, or (b) propose in writing to the Coordinating District additions to and/or deletions from the Preliminary Budget Amendment. If any Financing District does not provide a proposal for additions to and/or deletions from the Preliminary Budget Amendment in writing within fifteen (15) days as required herein, such Financing District shall be deemed to have approved the Preliminary Budget Amendment as presented. If any Financing District does timely provide additions to and/or deletions from the Preliminary Budget Amendment, the Districts shall discuss and attempt in good faith to reach an agreement with respect to the Preliminary Budget Amendment within 30 days of the submission of the Preliminary Budget Amendment to the Financing Districts from the Coordinating District. In the event that the Coordinating District

and the Financing District are unable to agree with regard to any proposed additions and/or deletions to the Preliminary Budget Amendment within the time provided herein, then the Parties shall submit the Preliminary Budget Amendment to a mutually selected mediator in an attempt to reach agreement with respect to a Final Budget Amendment. In the event the Districts cannot agree on a Final Budget Amendment within the time set forth above, the Preliminary Budget Amendment, with any revisions agreed to by the Districts, shall be the Final Budget Amendment; provided, however, that the Final Budget Amendment shall not include expenditures greater than the greater of: (1) 120% higher than the expenditures set forth and appropriated in Final Budget being amended by the Final Budget Amendment, or (2) 120% of the expenditures set forth in the Preliminary Budget Amendment that the Districts have agreed upon, and budgeting, appropriation, and payments of the amounts called for in said Final Budget Amendment shall be made by the Financing District.

5. Deposit. Unless otherwise agreed by the Coordinating District, the Financing District, on or before the 15th day of each month, shall deposit with the Coordinating District an amount equal to 1/12th of the annual Costs due from such District as determined by the Final Budget. Notwithstanding the foregoing, the Districts acknowledge that the Financing District may fund the Costs via the imposition of an ad valorem mill levy, and in such case, may not have funds available during the first quarter of each fiscal year to make the payments set forth herein. In such event, the Coordinating District agrees to defer collection of such amounts until such time as the Financing District has collected the funds for the Costs via the collection of taxes imposed through an ad valorem mill levy. All Costs due to the Coordinating District from the Financing District shall be paid in lawful money of the United States of America by check mailed or delivered, or by wire transfer, to the Coordinating District, or such other method as may be mutually agreed to by the Districts. The Coordinating District shall keep a record of and account for all deposits made by the Financing District in accordance with generally acceptable accounting principles.

6. Fees and Charges. The Districts acknowledge that the Coordinating District will incur certain direct and indirect costs associated with the provision of the O&M Services in order to properly provide the O&M Services and to ensure that the health, safety and welfare of the Districts and their inhabitants may be safeguarded. The Financing District further recognizes and acknowledges that the Coordinating District is providing the O&M Services for the direct benefit of the Financing District and the property owners within its boundaries, and that pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Coordinating District is authorized to fix and impose fees, rates, tolls, penalties and charges for services or facilities furnished by the Coordinating District which, until paid, shall constitute a perpetual lien on and against the property served. The Districts agree that the Coordinating District may from time to time establish a fair and equitable fee to provide a source of funding to pay for the O&M Services (the "User Fees"), which User Fees are to be reasonably related to the overall cost of providing the O&M Services, and be imposed on those who are reasonably likely to benefit from or use the O&M Services (the "Users"). The Financing District acknowledges that the Coordinating District will make a determinations as to the appropriate User Fees, taking into account mill levy revenues to be received from the Financing District in each fiscal year. The Financing District agrees to cooperate with the Coordinating District in the collection of all User Fees due and owing, including but not

necessarily limited to foreclosure as against the statutory perpetual lien associated with such User Fees.

7. Subject to Annual Appropriation and Budget. Notwithstanding anything contained herein to the contrary, the Districts agree that the Districts' obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the Board of each District and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this Agreement shall be construed or interpreted as a delegation of governmental powers by the Districts, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the Districts, including, without limitation, Article X, Section 20, or Article XI, Sections 1, 2 or 6 of the Constitution of the State of Colorado.

8. Rules and Regulations. The Districts acknowledge and agree that the Coordinating District may enact, from time to time, rules and regulations with respect to the Public Improvements and Services. All rules and regulations, and amendments thereto, adopted and placed in force by the Coordinating District from time to time shall be fully enforceable within all Districts and against all Users. The Financing District agrees to exercise any rule making or police power it may have to assist the Coordinating District in enforcing the Coordinating District's rules and regulations.

9. General Representations. In addition to the other representations, warranties and covenants made by the Districts in this Agreement, the Districts make the following representations, warranties and covenants to each other:

a. Each District has the full right, power and authority to enter into, perform and observe this Agreement.

b. This Agreement is a valid, binding and legally enforceable obligation of the Districts and is enforceable in accordance with its terms.

c. The Districts shall keep and perform all of the covenants and agreements contained in this Agreement and shall take no action that could have the effect of rendering this Agreement unenforceable in any manner.

10. Default, Remedies and Enforcement.

a. Events of Default. The violation of any provision of this Agreement by any District, the occurrence of any one or more of the following events, and/or the existence of any one or more of the following conditions shall constitute an "Event of Default" under this Agreement.

i. The failure to pay any payment when the same shall become due and payable as provided herein and to cure such failure within three (3) business days of the giving of notice by a District of such failure;

ii. The failure to perform or observe any other covenants, agreements, or conditions in this Agreement on the part of any District and to cure such failure within ten (10) days of receipt of notice from any of the other Districts of such failure; provided, however, that if the applicable default is of a nature that the same is not reasonably susceptible of being cured within such 10-day period, then the cure period shall extend so long as the defaulting District commences its cure within such 10-day period and thereafter pursues the cure to completion by the exercise of due diligence, as determined by the non-defaulting District(s);

iii. The filing of a voluntary petition under federal or state bankruptcy or insolvency laws by a District or the appointment of a receiver for any of a District's assets which is not dismissed within thirty (30) days of such filing or appointment;

iv. Assignments by a Financing District for the benefit of a creditor and a failure to secure the release or termination of such assignments within thirty (30) days after the making of such assignments; or

v. The dissolution, insolvency, or liquidation of a District and a failure to cure such dissolution, insolvency or liquidation within ten (10) days of receipt of written notice.

b. Remedies on Occurrence of Events of Default. Upon the occurrence of an Event of Default, the non-defaulting District(s) hereto shall have the following rights and remedies:

i. In the event of breach of any provision of this Agreement, any non-defaulting District may ask a court of competent jurisdiction to enter a writ of mandamus to compel the Board of the defaulting District to perform its duties under this Agreement, and any non-defaulting District may seek from a court of competent jurisdiction temporary and/or permanent injunctions, or orders of specific performance, to compel the defaulting District to perform in accordance with the obligations set forth under this Agreement.

ii. The non-defaulting Districts may protect and enforce their rights under this Agreement by such suit, action, or special proceedings or remedies as they shall deem appropriate, including without limitation any proceedings for specific performance of any covenant or agreement contained herein, for the enforcement of any other appropriate legal or equitable remedy, or for the recovery of damages caused by breach of this Agreement, including attorneys' fees and all other costs and expenses incurred in enforcing this Agreement or exercising any available remedies. If, at any time, there shall cease to be electors in the Coordinating District, or if no electors of the Coordinating District are willing to act as directors of the Coordinating District, the Financing District may ask a court of competent jurisdiction to designate the proper persons to assume control of the Coordinating District for purposes of causing the performance of the Coordinating District's obligations under this Agreement.

iii. In the event the Event of Default is non-payment by a Financing District, the Coordinating District may:

(a) Suspend the provision of the Services until such time as the Financing District cures such Event of Default; and/or

(b) Impose User Fees directly upon the Users for the provision of the O&M Services in lieu of collecting the Costs related to the O&M Services from the Financing District. In such event, methods of collection of the User Fees shall be determined by the Coordinating District. The Coordinating District shall have the right to delegate or assign such impositions and collection power to a billing or service entity of its choice.

iv. To terminate this Agreement for any Event of Default that causes the non-defaulting District(s) irreparable harm material to their aggregate interests under this Agreement.

v. To take or cause to be taken such other actions as the non-defaulting District(s) reasonably deem necessary.

c. Delay or Omission No Waiver. No delay or omission of any District to exercise any right or power accruing upon any Event of Default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein.

d. No Waiver of One Default to Affect Another; All Remedies Cumulative. No waiver of any Event of Default hereunder by any District shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon. All rights and remedies of the non-defaulting District(s) provided herein may be exercised with or without notice, shall be cumulative, may be exercised separately, concurrently or repeatedly, and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

11. Termination. The Districts acknowledge that they are part of an integrated project and community, that the Public Improvements are not easily partitioned among the Districts and that cooperation in the termination process will be necessary to ensure that the integrity and quality of the community is maintained.

a. Administrative Services. A Financing District may terminate this Agreement as it relates to the provision of Administrative Services by the Coordinating District for that Financing District upon ninety (90) days' written notice to the Coordinating District. If this Agreement is terminated by any Financing District in relation to Administrative Services, the Coordinating District shall be paid for Administrative Services performed for that Financing District prior to such termination. In the event of termination of the Administrative Services, as of the effective date thereof, the Coordinating District shall be fully relieved of any and all obligation to provide such Administrative Services.

b. O&M Services. The Financing Districts' obligation to remit revenues to the Coordinating District, and the Coordinating District's obligation to provide the O&M Services, shall only terminate after a written notice has been provided by one of the Districts to

the other Districts and an agreement is approved by each of the Financing Districts setting forth the matters required in this Section 11(b) (the “**Termination Agreement**”). It shall be required that any such Termination Agreement contain provisions to ensure that the Public Improvements are operated effectively and economically and that the public health, safety, prosperity, and general welfare of the residents and property owners within the Districts will be better served by the termination. Such Termination Agreement shall be required to include (1) a plan for the manner in which ownership of the Public Improvements and ownership and maintenance shall be allocated and transferred as between the Districts, (2) a plan for payment associated with any outstanding obligations of the Coordinating District, as the same are incurred prior to the proposed date of termination, (3) to the extent any of the Public Improvements have been financed directly by the Coordinating District and such obligations remain outstanding, a plan for the payment of all such obligations and/or debts, and (4) the manner in which outstanding agreements of the Coordinating District may be terminated, cancelled, assigned or otherwise handled. The Termination Agreement shall be required to include an indemnification from the Financing Districts to the Coordinating District, which shall be acceptable to the Coordinating District and indemnify it against all injuries, losses and other events of damage associated with any such outstanding agreements.

In the event the Financing Districts are not able to reach an agreement, they shall submit the issues to mediation and shall make a good faith effort to come to an agreement with the intent of reaching a cooperative solution that will best serve the residents and property owners of the Districts, as a whole. At such time as the provisions of the Termination Agreement are finalized in compliance with the requirements above, the Public Improvements shall be transferred in accordance with the provisions of the Termination Agreement and the Coordinating District shall be fully relieved of all further obligations absent any such obligations being specifically agreed to by the Coordinating District pursuant to the terms of the Termination Agreement.

12. Miscellaneous.

a. Relationship of Parties. This Agreement does not and shall not be construed as creating a joint venture, partnership, or employer-employee relationship between the Districts. The Districts intend that this Agreement be interpreted as creating only an ordinary contractual relationship between them, without any fiduciary or other special duties. The Districts hereby incorporate the RECITALS into this Agreement. It is also agreed that the conduct and control of the work and functions required by this Agreement shall lie solely with the Coordinating District which shall be free to exercise reasonable discretion in the performance of its duties under this Agreement. No District shall, with respect to any activity, be considered an agent or employee of any other District.

b. Assignment. Except as set forth herein or as contemplated in the Service Plan, neither this Agreement, nor any of a District’s rights, obligations, duties or authority hereunder may be assigned in whole or in part by any District without the prior written consent of all the other Districts. Any such attempt of assignment without the requisite consent shall be deemed void and of no force and effect at the election of any District with consent rights. Consent to one assignment shall not be deemed to be consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment. Notwithstanding, nothing

contained herein shall prohibit the Coordinating District from engaging contractors, consultants, employees or other third parties to perform the Services or any portion thereof, on behalf of the Coordinating District.

c. Modification. This Agreement may be modified, amended, changed or terminated, except as otherwise provided herein, in whole or in part, only by an agreement in writing duly authorized and executed by the Districts. No consent of any third party shall be required for the negotiation and execution of any such agreement.

d. Integration. This Agreement contains the entire agreement between and among the Districts regarding the subject matter hereof, and no statement, promise or inducement made by any District or the agent of any District that is not contained in this Agreement or separate written instrument shall be valid or binding.

e. Severability. If any covenant, term, condition or provision of this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition or provision shall not affect any other provision contained in the Agreement, the intention being that such provisions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

f. District Dissolution. In the event any District seeks to dissolve pursuant to §§ 32-1-701, et seq., C.R.S., as amended, it shall provide written notification of the filing or application for dissolution to the other Districts concurrently with such filing. No District shall seek to dissolve so long as this Agreement is in effect without the prior written consent of the other Districts.

g. Survival of Obligations. Unfulfilled obligations of the Districts arising under this Agreement shall be deemed to survive the expiration of this Agreement or termination of this Agreement by court order. Said obligations shall be binding upon and inure to the benefit of the Districts and their respective successors and assigns.

h. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado. Venue shall be proper in the county in which the Districts are located.

i. Headings for Convenience Only. The headings, captions and titles contained herein are intended for convenience and reference only and are not intended to construe the provisions hereof.

j. Time Is of the Essence. Time is of the essence hereof; provided, however, that if the last day permitted or the date otherwise determined for the performance of any act required or permitted under this Agreement falls on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding business day, unless otherwise expressly stated.

k. Persons Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any Person other than the Districts, any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all of the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Districts shall be for the sole and exclusive benefit of the Districts acting through their respective Boards. This Agreement shall be construed as an intergovernmental agreement among the Districts only. It is expressly agreed by the Districts that no Person other than the Financing Districts shall obtain any enforceable rights to service from the Coordinating District, and, to this end, it is expressly declared by the Districts that no Person shall be construed as a third party beneficiary of any kind of this Agreement except as expressly stated herein.

l. Notices. Except as otherwise provided herein, all notices required under this Agreement shall be in writing and shall be (a) hand-delivered, and in such instance, considered effective upon delivery, (b) sent by registered or certified mail, return receipt requested, postage prepaid, and in such instance, considered effective seventy-two (72) hours after deposit in the United States mail with the proper address as set forth below, (c) sent by reputable overnight courier, and in such instance, considered effective on the next business day, or (d) sent via email, and in such instance considered effective upon receipt of an electronic delivery confirmation with a hard copy to be sent no later than three (3) business days after electronic delivery confirmation via one of the delivery methods specified in (a), (b) or (c) of this sentence, to the addresses of the Parties herein set forth. Any party by notice so given may change the address to which future notices shall be sent.

Coordinating District: The Lakes Metropolitan District No. 1
200 W. Hampden Ave., Suite 201
Englewood, CO 80110
Attention: Erika L. Volling
erika@vhlco.com

With a copy to: White Bear Ankele Tanaka & Waldron
Attorneys at Law
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: William P. Ankele, Jr.
(303) 858-1800 (phone)
(303) 858-1801 (fax)
wpankele@wbapc.com

Financing Districts: The Lakes Metropolitan District Nos. 3-6
200 W. Hampden Ave., Suite 201
Englewood, CO 80110
Attention: Erika L. Volling
erika@vhlco.com

With a copy to: White Bear Ankele Tanaka & Waldron

Attorneys at Law
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: William P. Ankele, Jr.
(303) 858-1800 (phone)
(303) 858-1801 (fax)
wpankele@wbapc.com

m. District Records. The Districts shall have the right to access and review each other's records and accounts, at reasonable times during the Districts' regular office hours, for purposes of determining compliance by the Districts with the terms of this Agreement. Such access shall be subject to the provisions of Public Records Act of the State of Colorado contained in §§24-72-101, et. seq., C.R.S. and any policies adopted by the District. In the event of disputes or litigation between the Parties hereto, all access and requests for such records shall be made in compliance with the Public Records Act and any applicable discovery rules.

n. Recovery of Costs. In the event of any litigation between or among the Districts hereto concerning the subject matter hereof, the prevailing District(s) in such litigation shall receive from the losing District(s), in addition to the amount of any judgment or other award entered therein, all reasonable costs and expenses incurred by the prevailing District(s) in such litigation, including reasonable attorneys' fees.

o. Compliance with Law. The Districts agree to comply with all federal, state and local laws, rules and regulations which are now, or in the future may become applicable to the Districts, to their business or operations, or to services required to be provided by this Agreement.

p. Instruments of Further Assurance. The Districts each covenant that they will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

q. Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, et seq., C.R.S.

r. Counterpart Execution. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

s. Negotiated Provisions. This Agreement shall not be construed more strictly against one Party than against another, it being acknowledged that each Party has contributed substantially and materially to the preparation of this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the District hereto has executed this Agreement as of the 19th day of June, 2018.

**THE LAKES METROPOLITAN DISTRICT
NO. 1**

By:  _____
President

ATTEST:

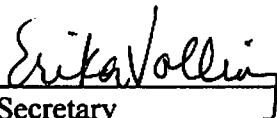
 _____
Secretary

IN WITNESS WHEREOF, the District hereto has executed this Agreement as of the 19th day of June, 2018.

**THE LAKES METROPOLITAN DISTRICT
NO. 3**


By:  _____
President

ATTEST:

 _____
Secretary

IN WITNESS WHEREOF, the District hereto has executed this Agreement as of the 19th day of June, 2018.

**THE LAKES METROPOLITAN DISTRICT
NO. 4**


By:  _____
President

ATTEST:

 _____
Secretary

IN WITNESS WHEREOF, the District hereto has executed this Agreement as of the 19th day of June, 2018.

**THE LAKES METROPOLITAN DISTRICT
NO. 5**

By:  _____
President

ATTEST:

 _____
Secretary

IN WITNESS WHEREOF, the District hereto has executed this Agreement as of the 19th day of June, 2018.

**THE LAKES METROPOLITAN DISTRICT
NO. 6**

By:  _____
President

ATTEST:

 _____
Secretary

EXHIBIT A

ADMINISTRATIVE SERVICES TO BE PROVIDED BY THE COORDINATING DISTRICT

1. Serve as the “official custodian” and repository for the Financing Districts’ records, including, but not limited to, providing file space, incidental office supplies and photocopying, meeting facilities and reception services.
2. Coordination of all Board meetings to include:
 1. Preparation and distribution of agenda and information packets.
 2. Preparation and distribution of meeting minutes.
 3. Preparation, filing and posting of legal notices required in conjunction with the meeting.
 4. Other details incidental to meeting preparation and follow-up.
3. Ongoing maintenance of an accessible, secure, organized and complete filing system for the Financing Districts’ official records.
4. Monthly preparation of checks and coordination of postings with an accounting firm.
5. Periodic coordination with an accounting firm for financial report preparation and review of financial reports.
6. Insurance administration, including evaluating risks, comparing coverage, processing claims, completing applications, monitoring expiration dates, processing routine written and telephone correspondence, etc., and ascertaining that all contractors and subcontractors maintain required coverage for the Financing Districts’ benefit.
7. Election administration, including preparation of election materials, publications, legal notices, pleadings, conducting training sessions for election judges, and generally assisting in conducting the election.
8. Budget preparation, including preparation of proposed budget in coordination with an accounting firm, preparation of required and necessary publications, legal notices, resolutions, certifications, notifications and correspondence associated with the adoption of the annual budget and certification of the tax levy.
9. Response to inquiries, questions and requests for information from the Financing Districts’ property owners, residents and others.

10. Drafting proposals, bidding contract and construction administration, and supervision of contractors.

11. Analysis of financial condition and alternative financial approaches, and coordination and structuring of bond issue or other debt preparation.

12. Administration of the expenditure of any funds or proceeds related to any loans, bonds, or other financial obligations issued by one or more of the Districts.

13. Oversight of investment of the Districts' funds based on investment policies in accordance with state law.

14. Provide liaison and coordination with other governments.

15. Coordinate activities and provide information as requested to an external auditor engaged by the Coordinating District Board.

16. Supervise and ensure contract compliance of all service contractors.

17. Coordinate legal, accounting, management, engineering and other professional services.

18. Assist any auditors in the preparation of its annual audit as required by the laws of the State of Colorado.

19. Advise and assist the Financing Districts by analyzing the Financing Districts' long and short-term financial needs and presenting the Financing Districts with long and short-term financial proposals (including structuring of bond or other forms of debt issuance) to meet those needs.

20. Provide emergency communication services for the Coordinating District's facilities.

21. Perform such other services as may from time to time be reasonably necessary in furtherance of securing the Financing Districts' compliance with all applicable federal and state statutes and regulations and with applicable county and local laws; provided, however, that any and all expenditures in furtherance of these services shall be made and reimbursed in accordance with this Agreement.

22. Contracting for the design, planning, engineering, construction and/or acquisition, management, landscape architecture and engineering, soil testing and inspection, and line and systems testing and inspection attributable to the Public Improvements.

23. Obtaining any and all real property interests necessary for the provision of the Public Improvements.

24. Obtaining any and all governmental and/or administrative approvals necessary to the provision of the Public Improvements, including provision for the payment of fees associated therewith.

25. Performing and/or contracting for construction administration of construction contracts by which the Public Improvements are constructed.

26. Contracting for the acquisition of water rights to the extent necessary for the provision of the Public Improvements.

27. Administering collection of any amounts due to the Districts under any cost recovery or other reimbursement agreement relating to the Public Improvements.

28. Engagement of consultants necessary in connection with provision of the Administrative Services, including attorneys, accountants, engineers, managers, architects, soils consultants, and any other consultant determined by the Coordinating District to be necessary or appropriate to the provision of the Administrative Services.

29. In addition to these services, when other services are necessary in the opinion of the Coordinating District, the Coordinating District may recommend the same to the Financing Districts. The Coordinating District may, with the approval of the Financing Districts, provide any Administrative Services to the Financing Districts in lieu of retaining consultants or contractors to provide those services.

EXHIBIT B

O&M SERVICES TO BE PERFORMED BY THE COORDINATING DISTRICT

1. Operation and maintenance of any Public Improvements not otherwise dedicated or conveyed to any other governmental entity or owners association for the benefit of the Districts.
2. Maintain common areas, parks, entry monuments, landscaping, open space tracts, recreational facilities and other community amenities.
3. Provide trash service, architectural review, and covenant enforcement services (as applicable).

CAPITAL IMPROVEMENTS PLEDGE AGREEMENT

THIS CAPITAL IMPROVEMENTS PLEDGE AGREEMENT (the “Agreement”) is made and entered into as of this 15th day of June, 2020, by and between **The Lakes Metropolitan District No. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (“District No. 1”) and **The Lakes Metropolitan District No. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado (“District No. 3”).

RECITALS

WHEREAS, The Lakes Metropolitan District Nos. 1-6 (collectively, “the Districts”), were organized to provide public infrastructure for developments known as “Brighton Lakes” and “Indigo Trails,” in the City of Brighton, Colorado (the “City”); and

WHEREAS, to implement a common plan of finance, the Districts are expected to coordinate the financing and construction of public improvements necessary for the development of Brighton Lakes and Indigo Trails; and

WHEREAS, Colorado Homes, LLC (the “Developer”) is the owner and developer of a project known as Indigo Trails Phases IV, V and VI within the City of Brighton (the “Property”); and

WHEREAS, the Developer is the successor-in-interest to certain prior owners of the Property, which prior owners had entered into certain development agreements concerning the Property; and

WHEREAS, the Developer and the City are parties to that certain “Second Amendment to the Indigo Trails Development Agreement” dated December 13, 2017, and recorded at Reception Number 2017000113997, (the “Second Amendment”), which Second Amendment references the dates and recording information of the original Development Agreement (dated December 19, 2000), and the First Amendment (dated May 19, 2005), as well as various related assignment and assumption agreements (collectively, the “Development Agreement”); and

WHEREAS, the Development Agreement requires funding of the design and construction of the north one-half section of 144th Avenue from Chambers Road to S. 19th Avenue, inclusive of roadway (including one-half of the median), water, sewer, storm water, and landscaping improvements as a condition of commencement of development; and

WHEREAS, the Development Agreement contemplates that the owner(s) of property adjacent to the south one-half section of 144th from Chambers Road to S. 19th Avenue would become similarly obligated to funding the design and construction of the south one-half section including the south one-half of the median and all related water, sewer, storm water and landscaping appurtenant thereto, right of way acquisition, relocation of any existing utilities, and any other necessary work (collectively the improvements to the entire width of 144th Avenue shall be known as the “Improvements”) (future development agreements applicable to the south one-half section of 144th shall be known as the “Future Development Agreements”); and

WHEREAS, District No. 1 plans to arrange the financing of the costs of construction of the Improvements, which financing may be obtained by entering into an agreement with one or more third parties whereby such third parties will advance funds to District No. 1, through the issuance of bonds by District No. 1, or through any alternative means available; and

WHEREAS, the property within District No. 3 will benefit from the Improvements, and therefore desires to establish its financial commitment to provide funds to District No. 1 to fund its share of the costs of the Improvements, such share to be determined as hereinafter provided; and

WHEREAS, Section 32-1-1101(1), C.R.S. authorizes special districts to annually impose a property tax levy to fund the costs of constructing public infrastructure; and

WHEREAS, Section 29-1-302, C.R.S., allows special districts to levy a tax in order to finance capital projects, with the revenue from such levies being exempt from the annual limit on increased revenues of 5.5% annually, if authorized at an election; and

WHEREAS, at an election held on May 6, 2014 (the "Election"), the electors of District No. 3 also authorized the levy of taxes in the annual amount of \$5,000,000 for various purposes, including taxes to be levied for purposes of funding capital improvements; and

WHEREAS, the Improvements constitute capital improvements of benefit to District No. 3, and therefore the levy of property taxes to fund such costs is authorized by the Election; and

WHEREAS, pursuant to the Election, District No. 3 desires to enter into this Agreement to commit revenues from a Capital Improvements Levy (as hereafter defined) for the purpose of funding its share of the Improvements; and

WHEREAS, upon the receipt of tax revenues from the Capital Improvements Levy, District No. 3 shall remit the same to District No. 1, to be held and applied to costs of the Improvements, as hereinafter set forth;

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

COVENANTS AND AGREEMENTS

1. District No. 1 Construction and Bidding. District No. 1 shall have the authority, but not the obligation, to undertake design and construction of the Improvements. The parties agree and acknowledge that construction of the Improvements may occur in one or more phases, so the procedures outlined herein for bidding, construction and allocation of costs shall be applicable to each phase. To the extent District No. 1 intends to proceed with construction, and subject to obtaining financing therefor, District No. 1 shall be responsible for arranging public bidding of a contract or contracts for construction of the Improvements in accordance with

applicable law. Prior to commencing the public bidding process, District No. 1 shall notify District No. 3 of its intent to commence the public bidding process and shall provide District No. 3 with a copy of all bid documents. District No. 1 shall notify District No. 3 of the results of the bid. Given that the public bidding process establishes a fair and equitable means of determining the total project costs, District No. 1 shall be entitled to award the contract(s) to such bidders as District No. 1 shall determine are appropriate following such bidding process. District No. 1 shall notify District No. 3 of the award of such contract(s), and the total costs thereof (the "Project Costs").

2. District No. 1 to Arrange Financing. District No. 1 shall be responsible for arranging financing for the Project Costs. It is anticipated that financing will be secured from one of several means, including through advances made to District No. 1 from one or more third parties, through the issuance of bonds, or from any other lawful financing mechanism (the "Financing Arrangements"). The parties acknowledge that the purpose of this Agreement is to secure funding from District No. 3 for its allocated share of the Project Costs, which funding shall be used by District No. 1 to either pay Project Costs, to meet its obligations under the Financing Arrangements, or for both purposes as needed.

3. District No. 1 to Undertake Construction. Following completion of the Financing Arrangements, and the award of a contract(s) for construction of the Improvements, District No. 1 shall pursue construction of the Improvements in accordance with the contract documents. District No. 1 shall provide monthly progress reports to District No. 3, including pay applications submitted and approved, change orders submitted and approved, and the general progress of the work. At the completion of the work, District No. 1 shall publish notice of final payment as required by law, and issue final payment.

4. Allocation of Costs to District No. 3.

(a) The parties acknowledge that the Project Costs will not be determined until the award of the contract(s) for construction, and further subject to adjustments to the contract amount that may occur during the course of construction. Accordingly, the specific dollar amount to be contributed by District No. 3 will not be known until final payment is made on all contracts for the work. District No. 3's share of such costs (the "Payment Obligation") will be determined (for each portion of the improvements if not all the subject of a single construction contract) based on the provisions of the Development Agreement and the Future Development Agreements.

(b) For purposes of establishing estimates of Project Costs and the proposed allocation to District No. 3, District No. 1 has obtained an engineer's estimate of the Project Costs, as set forth in Exhibit A, attached hereto and incorporated herein by this reference (the "Engineer's Estimate"). Based upon the obligations set forth in the Development Agreement for the Improvements, the proposed allocation of Project Costs to District No 3 is \$2,307,029.57, inclusive of a 15% contingency. The breakdown of the allocation of Project Costs to District No. 3 is set forth on the Engineer's Estimate. The Engineer's Estimate is preliminary, and the final Project Costs and allocations will be in accordance with the final Project Costs as incurred and paid.

(c) Following the award of any contract for construction of the Improvements, District No. 1 shall notify District No. 3 of its determination of the amount of Project Costs allocable to District No. 3 for the applicable portion of the Improvements. At the time of making

final payment on each contract for the Improvements, District No. 1 shall notify District No. 3 of the final allocation of Project Costs to District No. 3, and the resulting total Payment Obligation for that portion of the Improvements. District No. 3 shall be entitled to examine the financial records of District No. 1 to verify the accuracy of the allocation, which examination shall be concluded within thirty (30) days of District No. 1's notice of the final allocation of Project Costs. District No. 3 shall be entitled to object to the final allocation only in the event of a mathematical error, and to the extent of the dollar amount that is the subject of the error (e.g. only the contested amount of Project Costs, not the uncontested amounts). In the event of a mathematical error, the parties shall cooperate to resolve the same promptly. To the extent necessary, the parties shall consult with the accountant for District No. 1 to resolve the issue. Interest shall accrue on the Payment Obligation for each portion of the Improvements at the rate of the Wall Street Journal Prime Rate plus two percent (2%) measured from the date of commencement of construction of the applicable portion of the Improvements.

5. District No. 3 to Levy Capital Improvements Levy.

(a) In consideration of the activities of District No. 1 to construct the Improvements, District No. 3 shall impose a mill levy of fifty (50) mills, subject to adjustment as hereinafter provided, and as further set forth in the following provisions. Commencing with the year that District No. 1 notifies District No. 3 that District No. 1 has obtained financing, or has obtained a commitment for financing (which, in the case of financing from third parties, the execution of a construction funding agreement for the Improvements (or portion thereof) with such third parties; or, in the case of bond financing, the execution of an engagement letter with an underwriter, the execution of a term sheet with a private placement lender or bank, or such other documentation as shall demonstrate the ability of District No. 1 to obtain financing) District No. 3 agrees to certify the Capital Improvements Levy by December 15th of the year in which such notice of financing has occurred, and each year thereafter until the full amount of the Payment Obligation for all of the Improvements established pursuant to Paragraph 4 hereof has been paid, provided further that:

(i) in the event that the method of calculating assessed valuation was changed after January 1, 2017, or changes in future, the 50 mill levy provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by District No 1 in consultation with District No. 3 in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by such mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(ii) in no event may the Capital Improvements Levy be established at a mill levy rate which would cause District No. 3 to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Capital Improvements Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by District No. 3's electoral authorization, the Capital Improvements Levy shall be reduced to the point that such maximum tax increase is not exceeded.

(b) The obligation of District No. 3 to fund the Payment Obligation shall constitute a limited tax obligation of District No. 3 payable solely from and to the extent of the property tax revenues (including allocable specific ownership taxes) derived from the Capital Improvements Levy (the "Property Tax Revenues"). The Payment Obligation shall constitute an irrevocable lien upon the Property Tax Revenues for the benefit of District No. 1, and/or any party to which District No. 1 has assigned its rights to the Property Tax Revenues hereunder, or otherwise pledged such Revenues as part any financing arrangement for the Improvements (the "Pledged Revenue Beneficiaries").

(c) This Paragraph 5 is hereby declared to be the certificate of District No. 3 to the Board of County Commissioners for Adams County indicating the aggregate amount of taxes to be levied for the purposes of paying the Payment Obligation due hereunder.

(d) It shall be the duty of District No. 3 annually at the time and in the manner provided by law for the levying of its taxes, if such action shall be necessary to effectuate the provisions of this Agreement, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes herein specified, and to require the officers of District No. 3 to cause the appropriate officials of Adams County, to levy, extend and collect said ad valorem taxes in the manner provided by law for the purpose of providing funds for the payment of the amounts to be paid hereunder promptly as the same, respectively, become due. Said taxes, when collected, shall be applied only to the payment of the Payment Obligation.

(e) Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado.

(f) District No. 3 shall pursue all reasonable remedies to collect, or cause the collection of, delinquent ad valorem taxes within its boundaries.

(g) The Payment Obligation of District No. 3 will be deemed defeased and no longer outstanding upon payment of the full amount of the Payment Obligation for all of the Improvements by District No. 3.

6. Effectuation of Pledge of Security, Current Appropriation. The sums herein required to pay the amounts due hereunder are hereby appropriated for that purpose, and said amounts for each year shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Board of District No. 3 each year while any of the Payment Obligation remains outstanding and unpaid. No provisions of any constitution, statute, resolution or other order or measure enacted after the execution of this Agreement shall in any manner be construed as limiting or impairing the obligation of District No. 3 to levy ad valorem property taxes, or as limiting or impairing the obligation of District No. 3 to levy, administer, enforce and collect the ad valorem property taxes as provided herein for the payment of the obligations hereunder.

Furthermore, District No. 3 acknowledges that third parties (the Pledged Revenue Beneficiaries) may provide financial commitments pursuant to the Financing Arrangements and, as a result, shall be entitled to rely on the payment obligations of District No. 3 contained

hereunder. Accordingly, it is acknowledged by District No. 3 that the purpose of this Paragraph 6 is to ensure that District No. 1 receives all payments due herein in a timely manner in order to satisfy its obligations under the Financing Arrangements.

7. Limited Defenses; Specific Performance. It is understood and agreed by District No. 3 that its obligations hereunder are absolute, irrevocable, and unconditional except as specifically stated herein, and so long as any obligation of District No. 3 hereunder remains unfulfilled, District No. 3 agrees that notwithstanding any fact, circumstance, dispute, or any other matter, it will not assert any rights of setoff, counterclaim, estoppel, or other defenses to its Payment Obligation, or take or fail to take any action which would delay a payment to, or on behalf of, District No. 1 or impair the ability of District No. 1 or the Pledged Revenue Beneficiaries to receive payments due hereunder. Notwithstanding that this Agreement specifically prohibits and limits defenses and claims of District No. 3, in the event that District No. 3 believes that it has valid defenses, setoffs, counterclaims, or other claims other than specifically permitted by this Paragraph 7, it shall, nevertheless, make all payments as described herein and then may attempt or seek to recover such payments by actions at law or in equity for damages or specific performance, respectively.

8. Remittance of Property Tax Revenues to District No. 1/Use. District No. 3 shall remit the Property Tax Revenues to District No. 1 immediately upon receipt. The parties acknowledge that it is possible that Property Tax Revenues will be received by District No. 1 in advance of the award of construction contract(s) for the Improvements. In such event, District No. 1 shall hold such funds and reserve the same in an interest-bearing account exclusively for use in funding Project Costs allocable to District No. 3 hereunder, which may include applying such funds in connection with any Financing Arrangements.

9. Refund of Property Tax Revenues, In the event it appears that following final payment on the construction contract(s) for the Improvements, District No. 3 has remitted Property Tax Revenues in excess of its Payment Obligation, such amount will be refunded to District No. 3, together with applicable accrued interest.

10. Issuance of Bonds by District No. 3/Priority Over Other Financial Obligations. District No. 3 agrees and acknowledges that District No. 1 is expected to incur significant financial obligations in securing the Financing Arrangements, and that the failure of District No. 3 to meet the Payment Obligation will cause substantial financial damage to District No. 1.

(a) Accordingly, in order to induce District No. 1 to secure the Financing Arrangements, District No. 3 agrees that, with respect to any agreement of District No. 3 to pay or reimburse for any capital costs or capital improvements, its obligations to meet the Payment Obligation established hereunder shall be superior to any obligation of District No. 3 to pay or reimburse for any capital costs or capital improvements (whether from mill levy or otherwise). District No. 3 shall include language in any contract or other arrangement by which District No. 3 would become obligated to pay or reimburse for capital costs or capital improvements, establishing the superiority of the Payment Obligation (which language shall be reasonably acceptable to District No. 1) to any such obligation. This priority shall expire at such time as the Payment Obligation is satisfied in full.

(b) Additionally, District No. 3 agrees to use its best efforts to issue bonds to fund the Payment Obligation at the earliest practicable date based on growth in assessed valuation within District No. 3, and advice from bond underwriters or other financial advisors skilled in municipal finance. To the extent that the proceeds of such bonds are insufficient to satisfy the entire then-remaining Payment Obligation, the parties agree and acknowledge that the terms upon which such future bonds will be issued will likely require that District No. 3's obligation to levy the Capital Improvements Levy be subordinate to the pledge of mill levy to pay the bonds, and that, as a result, the ability of District No. 1 to receive Property Tax Revenues to satisfy the Payment Obligation (and thus pay amounts owing under the Financing Arrangements), will be impaired. Accordingly, District No. 3 agrees that it will not proceed to issue bonds unless such bond issue is approved by District No. 1. Furthermore, District No. 1 shall have the first right to all bond proceeds realized by District No. 3 until the Payment Obligation is paid in full. The terms of closing on the issuance of bonds by District No. 3 will include a provision that the net proceeds of any such bond issue in an amount necessary to fully satisfy the Payment Obligation will be wired directly to an account designated by District No. 1.

(c) District No. 3 may, in its sole discretion, pay the Payment Obligation in full at any time without penalty. Upon such occurrence, District No. 3 shall have no further obligations pursuant to this Agreement.

11. Representations and Warranties of District No. 3. District No. 3 hereby makes the following representations and warranties with respect to itself:

(a) District No. 3 is a quasi-municipal corporation and political subdivision duly organized and validly existing under the laws of the State of Colorado.

(b) District No.3 has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this Agreement. The District's execution, delivery, and performance of this Agreement have been duly authorized by all necessary action.

(c) District No. 3 is not in violation of any of the applicable provisions of law or any order of any court having jurisdiction in the matter, which violation could reasonably be expected to materially adversely affect the ability of District No. 3 to perform its obligations hereunder. The execution, delivery and performance by District No. 3 of this Agreement (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator, or governmental authority, (ii) will not violate any provision of any document or agreement constituting, regulating, or otherwise affecting the operations or activities of District No. 3 in a manner that could reasonably be expected to result in a material adverse effect, and (iii) will not violate any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest, or encumbrance of any kind on any of the revenues or other assets of District No. 3 pursuant to the provisions of any mortgage, indenture, contract, agreement, or other undertaking to which District No. 3 is a party or which purports to be binding upon District No. 3 or upon any of its revenues or other assets which could reasonably be expected to result in a material adverse effect.

(d) District No. 3 has obtained all consents and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by District No. 3 of this Agreement.

(e) There is no action, suit, inquiry, investigation, or proceeding to which District No. 3 is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body, or official which is pending or, to the best knowledge of District No. 3, threatened, in connection with any of the transactions contemplated by this Agreement nor, to the best knowledge of District No. 3 is there any basis therefor, wherein an unfavorable decision, ruling, or finding could reasonably be expected to have a material adverse effect on the validity or enforceability of, or the authority or ability of District No. 3 to perform its obligations under, this Agreement.

(f) This Agreement constitutes the legal, valid, and binding obligation of District No. 3, enforceable against District No. 3 in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium, or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

12. Events of Default. The occurrence or existence of any one or more of the following events shall be an "Event of Default" hereunder, and there shall be no default or Event of Default hereunder except as provided in this Section:

(a) District No. 3 fails or refuses to impose the Capital Improvements Levy or to remit the Property Tax Revenues as required by the terms of this Agreement;

(b) any representation or warranty made by District No. 3 in this Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompleteness would have a material adverse effect upon District No. 1 or the Pledged Revenue Beneficiaries;

(c) any party fails in the performance of any other of its covenants in this Agreement, and such failure continues for sixty (60) days after written notice specifying such default and requiring the same to be remedied is given to any of the parties hereto; or

(d) any party shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, Bank, custodian, or other similar official for itself or for any substantial part of its property, or any party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any party any case, proceeding, or other action of a nature referred to in clause (i) and the same shall remain not dismissed within ninety (90) days following the date of filing; or (iii) there shall be commenced against any party any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief

which shall not have been vacated, discharged, stayed, or bonded pending appeal within ninety (90) days from the entry thereof, or (iv) any party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

13. Remedies for Events of Default. Upon the occurrence and continuance of an Event of Default, any party may proceed to protect and enforce its rights against the party or parties causing the Event of Default by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for specific performance. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

14. Pledge of Revenue. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Payment Obligation shall be governed by §11-57-208 of the Supplemental Act and this Agreement. The Property Tax Revenues shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against District No. 3 irrespective of whether such persons have notice of such liens.

15. No Recourse against Officers and Agents. Pursuant to §11-57-209 of the Supplemental Act, if a member of the Board of Directors of District No. 3, or any officer or agent of District No. 3 acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the Payment Obligation. Such recourse shall not be available either directly or indirectly through the Board or District No. 3, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of this Agreement and as a part of the consideration hereof, District No. 3 specifically waives any such recourse

16. Conclusive Recital. Pursuant to §11-57-210 of the Supplemental Act, this Agreement contains a recital that it is issued pursuant to certain provisions of the Supplemental Act, and such recital is conclusive evidence of the validity and the regularity of this Agreement after its delivery for value.

17. Limitation of Actions. Pursuant to §11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization, execution, or delivery of this Agreement shall be commenced more than thirty days after the authorization of this Agreement.

18. Notices. Except as otherwise provided herein, all notices or payments required to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, or air freight, to the following addresses:

To District No. 1:

c/o White Bear Ankele Tanaka & Waldron
2154 E. Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: William P. Ankele
Phone: (303) 888-1300
Email: wpankele@wbapc.com

To District No. 3:

c/o Icenogle Seaver Pogue
4725 South Monaco Street, Suite 360
Denver, CO 80237
Attention: Alan D. Pogue, Special Counsel to District No. 3
Phone: (303) 912-7405
Email: Apogue@ISP-law.com

With copies to:

c/o White Bear Ankele Tanaka & Waldron
2154 E. Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: William P. Ankele
Phone: (303) 888-1300
Email: wpankele@wbapc.com

All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed received one (1) day after hand delivery or three (3) days after mailing. Any party, by written notice so provided may change the address to which future notices shall be sent.

19. Miscellaneous.

(a) This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings or agreements of the parties. This Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. In the event of any conflict between provisions of this Agreement, or any other agreement between the parties, provisions of this Agreement shall control. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation, understanding, agreement, commitment, or warranty outside those expressly set forth in this Agreement.

(b) If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement, and such provision shall not affect the legality, enforceability, or validity of the remainder of this Agreement. If any provision or part

thereof of this Agreement is stricken in accordance with the provisions hereof, then such stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

(c) It is intended that there be no third party beneficiaries of this Agreement, other than the Pledged Revenue Beneficiaries, if any. Nothing contained herein, expressed or implied, is intended to give to any person other than the parties, any claim, remedy, or right under or pursuant hereto, and any agreement, condition, covenant, or term contained herein required to be observed or performed by or on behalf of any party hereto shall be for the sole and exclusive benefit of the other party.

(d) District No. 1 may assign this Agreement, in whole or in part, to any Pledged Revenue Beneficiary. Otherwise, this Agreement may not be assigned or transferred by any party without the prior written consent of the other party.

(e) This Agreement shall be governed by and construed under the applicable laws of the State of Colorado.

(f) Venue for any and all claims brought by either Party to enforce any provision of this Agreement shall be the District Court in and for the County of Adams, State of Colorado.

(g) This Agreement may be amended or supplemented by the parties, but any such amendment or supplement must be in writing and must be executed by all parties.

(h) If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which banks in Denver, Colorado are authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which banks in Denver, Colorado are authorized or required by law to remain closed.

(i) Each party has participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

(j) This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

20. Effective Date and Termination Date. This Agreement shall become effective as of the date set forth on the title page hereto and shall remain in effect until the Payment Obligation has been fully satisfied.

Signature Page Follows

THE LAKES METROPOLITAN DISTRICT NO. 1

By: *Michael Richardson*
Michael Richardson (Jun 15, 2020 13:49 MDT)

President

ATTEST

By: *Erika Volling*
Erika Volling (Jun 15, 2020 13:46 MDT)

Secretary

THE LAKES METROPOLITAN DISTRICT NO. 3

By: *Michael Richardson*
Michael Richardson (Jun 15, 2020 13:49 MDT)

President

ATTEST

By: *Erika Volling*
Erika Volling (Jun 15, 2020 13:46 MDT)

Secretary

EXHIBIT A

(Engineer Estimate)



**Complete Roadway Costs
E. 144th Avenue Improvements
Estimate of Development Cost**

Project:
Prepared By:

19004226
Atwell, LLC

Prepared For: Vintage Homes and Land
Date: June 10, 2020

| Item | Quantity | Unit | Unit Cost | Cost Per Item | Comments |
|----------------------------------------------------------------------------|----------|------|-------------|------------------------|-----------------------------------------|
| <u>STREET - 144TH AVE</u> | | | | | |
| Mobilization | 1 | LS | \$25,000.00 | \$ 25,000.00 | |
| Demolition of Existing Asphalt Roadway | 7,600 | SY | \$10.00 | \$ 76,000.00 | Full removal |
| Subgrade Preparation | 23,979 | SY | \$2.00 | \$ 47,957.78 | Under all hard surface area |
| 6" Vertical Curb & Gutter | 5,322 | LF | \$21.00 | \$ 111,762.00 | 6" Vertical with two foot pan |
| 6" Median Curb | 4,970 | LF | \$12.00 | \$ 59,640.00 | Full Median |
| Full Depth Asphalt | 18,498 | SY | \$61.00 | \$ 1,128,378.00 | 9" asphalt depth |
| Sidewalk 10' Wide | 2,560 | LF | \$50.00 | \$ 128,000.00 | 10' wide 6" thick detached sidewalk |
| Sidewalk 8' Wide | 2,410 | LF | \$45.00 | \$ 108,450.00 | 8' wide 6" thick detached sidewalk |
| Curb Return with Handicap Ramp | 16 | EA | \$2,275.00 | \$ 36,400.00 | |
| Existing Driveway Tie-Ins | 4 | EA | \$1,200.00 | \$ 4,800.00 | |
| R.O.W. Landscaping (Tree Lawn) | 47,100 | SF | \$2.75 | \$ 129,525.00 | Includes Landscape Architect Fees |
| R.O.W. Landscaping (Median) | 37,100 | SF | \$2.75 | \$ 102,025.00 | Includes Landscape Architect Fees |
| Subtotal | | | | \$ 1,957,937.78 | |
| <u>STREET - CHAMBERS ROAD & 144TH INTERSECTION IMPROVEMENTS</u> | | | | | |
| Demolition of Existing Asphalt Roadway | 1,073 | SY | \$10.00 | \$ 10,733.33 | |
| 6" Vertical Curb & Gutter | 460 | LF | \$21.00 | \$ 9,660.00 | 6" Vertical with two foot pan |
| Full Depth Asphalt | 1,073 | SY | \$61.00 | \$ 65,473.33 | 9" asphalt depth |
| Sidewalk | 230 | LF | \$40.00 | \$ 9,200.00 | 10' wide 6" thick detached sidewalk |
| R.O.W. Landscaping | 2,300 | SF | \$2.75 | \$ 6,325.00 | Includes Landscape Architect Fees |
| Subtotal | | | | \$ 101,391.67 | |
| <u>SIGNAGE</u> | | | | | |
| Signs | 8 | EA | \$150.00 | \$ 1,200.00 | |
| Striping/Markings | 1 | LS | \$20,000.00 | \$ 20,000.00 | |
| Street Lights | 10 | EA | \$3,000.00 | \$ 30,000.00 | Assume 300' spacing |
| Subtotal | | | | \$ 51,200.00 | |
| <u>SANITARY SEWER IMPROVEMENTS:</u> | | | | | |
| 12" PVC San. Sewer | 1,870 | LF | \$52.00 | \$ 97,240.00 | |
| Manholes | 6 | EA | \$4,400.00 | \$ 26,400.00 | |
| Connect to Existing SS line | 1 | EA | \$2,650.00 | \$ 2,650.00 | |
| Sewer Service Stub-Outs | 2 | EA | \$1,415.00 | \$ 2,830.00 | |
| Vacuum/Pressure Testing | 1870 | LF | \$1.25 | \$ 2,337.50 | |
| Subtotal | | | | \$ 131,457.50 | |
| <u>WATER IMPROVEMENTS:</u> | | | | | |
| 12" Waterline | 5,280 | LF | \$100.00 | \$ 528,000.00 | Includes Valves, tees, bends, etc. |
| 8" Waterline | 200 | LF | \$46.00 | \$ 9,200.00 | Includes Valves, tees, bends, etc. |
| Fire Hydrant Assemblies | 6 | EA | \$6,970.00 | \$ 41,820.00 | |
| Connect to Existing Water Main | 2 | EA | \$1,760.00 | \$ 3,520.00 | |
| Water Services | 4 | EA | \$1,825.00 | \$ 7,300.00 | |
| Clear Water Testing | 5,280 | LF | \$1.25 | \$ 6,600.00 | |
| Asphalt Mix (9" over 12" depth) - Repair to 144th | 2,911 | LF | \$61.00 | \$ 177,577.78 | |
| Subtotal | | | | \$ 774,017.78 | |
| <u>STORM IMPROVEMENTS</u> | | | | | |
| Type R Storm Inlets | 3 | EA | \$12,400.00 | \$ 37,200.00 | |
| 18" F.E.S. | 1 | EA | \$2,315.00 | \$ 2,315.00 | |
| 24" F.E.S. | 1 | EA | \$2,515.00 | \$ 2,515.00 | |
| 30" F.E.S. | 1 | EA | \$2,825.00 | \$ 2,825.00 | |
| 5-ft Diameter Manhole | 3 | EA | \$4,050.00 | \$ 12,150.00 | |
| 18" RCP | 1,417 | LF | \$61.00 | \$ 86,437.00 | |
| 24" RCP | 185 | LF | \$83.00 | \$ 15,355.00 | |
| 30" RCP | 215 | LF | \$100.00 | \$ 21,500.00 | |
| 19th Avenue Channel | 20,700.0 | CY | \$2.20 | \$ 45,540.00 | |
| Concrete Box Culvert (5' x 3') | 246 | LF | \$750.00 | \$ 184,500.00 | |
| Subtotal | | | | \$ 410,337.00 | |
| <u>GRADING & EROSION CONTROL</u> | | | | | |
| <u>GRADING</u> | | | | | |
| Earthwork (import) | 29,710 | CY | \$2.20 | \$ 65,362.00 | (assumed 3' fill for all hard surfaces) |
| Silt Fence | 6,500 | LF | \$2.00 | \$ 13,000.00 | |
| Vehicle Tracking Control | 2 | EA | \$3,150.00 | \$ 6,300.00 | |
| Seeding & Mulching | 3 | AC | \$1,090.00 | \$ 3,270.00 | |
| Inlet Protection | 3 | EA | \$395.00 | \$ 1,185.00 | |
| Subtotal | | | | \$ 89,117.00 | |
| <u>ENGINEERING AND DESIGN</u> | | | | | |
| Engineering and Design | 1 | EA | \$70,000.00 | \$ 70,000.00 | |
| Subtotal | | | | \$ 70,000.00 | |

Subtotal E. 144th Ave Improvements
15% Contingency

3,585,458.72
\$537,818.81

Grand Total

4,123,277.53



INDIGO TRAILS
E. 144th Avenue Improvements
Estimate of Development Cost

Project: 19004226
 Prepared By: Atwell, LLC

Prepared For: Vintage Homes and Land
 Date: June 10, 2020

| Item | Quantity | Unit | Unit Cost | Cost Per Item | Comments |
|---------------------------------------------------------------------|----------|------|-------------|----------------------|-----------------------------------------|
| STREET - 144TH AVE | | | | | |
| Mobilization | 0.5 | EA | \$25,000.00 | \$ 12,500.00 | |
| Demolition of Existing Asphalt Roadway | 3,800 | SY | \$10.00 | \$ 38,000.00 | |
| Subgrade Preparation | 11,989 | SY | \$2.00 | \$ 23,978.89 | Under all hard surface area |
| 6" Vertical Curb & Gutter | 2,661 | LF | \$21.00 | \$ 55,881.00 | 6" Vertical with two foot pan |
| 6" Median Curb | 2,485 | LF | \$12.00 | \$ 29,820.00 | Full Median |
| Full Depth Asphalt | 9,249 | SY | \$61.00 | \$ 564,189.00 | 9" asphalt depth |
| Sidewalk 10' Wide | 2,560 | LF | \$50.00 | \$ 128,000.00 | 10' wide 6" thick detached sidewalk |
| Sidewalk 8' Wide | 0 | LF | \$45.00 | \$ - | 8' wide 6" thick detached sidewalk |
| Curb Return with Handicap Ramp | 4 | EA | \$2,275.00 | \$ 9,100.00 | |
| Existing Driveway Tie-Ins | 3 | EA | \$1,200.00 | \$ 3,600.00 | |
| R.O.W. Landscaping (Tree Lawn only) | 21,760 | SF | \$2.75 | \$ 59,840.00 | Includes Landscape Architect Fees |
| R.O.W. Landscaping (Median) | 18,550 | SF | \$2.75 | \$ 51,012.50 | Includes Landscape Architect Fees |
| Subtotal | | | | \$ 975,921.39 | |
| STREET - CHAMBERS ROAD & 144TH INTERSECTION IMPROVEMENTS | | | | | |
| Demolition of Existing Asphalt Roadway | 537 | SY | \$10.00 | \$ 5,366.67 | |
| 6" Vertical Curb & Gutter | 230 | LF | \$21.00 | \$ 4,830.00 | 6" Vertical with two foot pan |
| Full Depth Asphalt | 537 | SY | \$61.00 | \$ 32,736.67 | 9" asphalt depth |
| Sidewalk | 115 | LF | \$40.00 | \$ 4,600.00 | 10' wide 6" thick detached sidewalk |
| R.O.W. Landscaping | 1,150 | SF | \$2.75 | \$ 3,162.50 | Includes Landscape Architect Fees |
| Subtotal | | | | \$ 50,695.83 | |
| SIGNAGE | | | | | |
| Signs | 4 | EA | \$150.00 | \$ 600.00 | |
| Striping/Markings | 1 | LS | \$20,000.00 | \$ 10,000.00 | |
| Street Lights | 5 | EA | \$3,000.00 | \$ 15,000.00 | Assume 300' spacing |
| Subtotal | | | | \$ 25,600.00 | |
| SANITARY SEWER IMPROVEMENTS: | | | | | |
| 12" PVC San. Sewer | 0 | LF | \$52.00 | \$ - | |
| Manholes | 0 | EA | \$4,400.00 | \$ - | |
| Connect to Existing SS line | 0 | EA | \$2,650.00 | \$ - | |
| Sewer Service Stub-Outs | 0 | EA | \$1,415.00 | \$ - | |
| Vacuum/Pressure Testing | 0 | LF | \$1.25 | \$ - | |
| Subtotal | | | | \$ - | |
| WATER IMPROVEMENTS: | | | | | |
| 12" Waterline | 5,280 | LF | \$100.00 | \$ 528,000.00 | Includes Valves, tees, bends, etc. |
| 8" Waterline | 100 | LF | \$46.00 | \$ 4,600.00 | Includes Valves, tees, bends, etc. |
| Fire Hydrant Assemblies | 3 | EA | \$6,970.00 | \$ 20,910.00 | |
| Connect to Existing Water Main | 1 | EA | \$1,760.00 | \$ 1,760.00 | |
| Water Services | 2 | EA | \$1,825.00 | \$ 3,650.00 | |
| Clear Water Testing | 2,640 | LF | \$1.25 | \$ 3,300.00 | |
| Asphalt Mix (9" over 12" depth) - Repair to 144th | 1,456 | LF | \$61.00 | \$ 88,788.89 | |
| Subtotal | | | | \$ 651,008.89 | |
| STORM IMPROVEMENTS | | | | | |
| Type R Storm Inlets | 1.5 | EA | \$12,400.00 | \$ 18,600.00 | |
| 18" F.E.S. | 0.5 | EA | \$2,315.00 | \$ 1,157.50 | |
| 24" F.E.S. | 0.5 | EA | \$2,515.00 | \$ 1,257.50 | |
| 30" F.E.S. | 0.5 | EA | \$2,825.00 | \$ 1,412.50 | |
| 5-ft Diameter Manhole | 1.5 | EA | \$4,050.00 | \$ 6,075.00 | |
| 18" RCP | 708.5 | LF | \$61.00 | \$ 43,218.50 | |
| 24" RCP | 92.5 | LF | \$83.00 | \$ 7,677.50 | |
| 30" RCP | 107.5 | LF | \$100.00 | \$ 10,750.00 | |
| 19th Avenue Channel | 20,700.0 | CY | \$2.20 | \$ 45,540.00 | |
| Concrete Box Culvert (5' x 3') | 246 | LF | \$750.00 | \$ 184,500.00 | |
| Subtotal | | | | \$ 320,188.50 | |
| GRADING & EROSION CONTROL | | | | | |
| GRADING | 0.0 | | | | |
| Earthwork (import) | 14,855.0 | CY | \$2.20 | \$ 32,681.00 | (assumed 3' fill for all hard surfaces) |
| Silt Fence | 3,250.0 | LF | \$2.00 | \$ 6,500.00 | |
| Vehicle Tracking Control | 1.0 | EA | \$3,150.00 | \$ 3,150.00 | |
| Seeding & Mulching | 1.5 | AC | \$1,090.00 | \$ 1,635.00 | |
| Inlet Protection | 1.5 | EA | \$395.00 | \$ 592.50 | |
| Subtotal | | | | \$ 44,558.50 | |
| ENGINEERING AND DESIGN | | | | | |
| Engineering and Design | 1 | EA | \$35,000.00 | \$ 35,000.00 | |
| Subtotal | | | | \$ 35,000.00 | |
| Subtotal E. 144th Ave Improvements | | | | 2,102,973.11 | |
| 15% Contingency | | | | \$315,445.97 | |
| Grand Total | | | | 2,418,419.08 | |



FARMLORE
E. 144th Avenue Improvements
Estimate of Development Cost

Project: 19004226
 Prepared By: Atwell, LLC

Prepared For: Vintage Homes and Land
 Date: June 10, 2020

| Item | Quantity | Unit | Unit Cost | Cost Per Item | Comments |
|---------------------------------------------------------------------|----------|------|-------------|---------------|--------------------------------------------------------------|
| STREET - 144TH AVE | | | | | |
| Mobilization | 0.5 | EA | \$25,000.00 | \$ | 12,500.00 |
| Demolition of Existing Asphalt Roadway | 3,800 | SY | \$10.00 | \$ | 38,000.00 |
| Subgrade Preparation | 11,989 | SY | \$2.00 | \$ | 23,978.89 Under all hard surface area |
| 6" Vertical Curb & Gutter | 2,661 | LF | \$21.00 | \$ | 55,881.00 6" Vertical with two foot pan |
| 6" Median Curb | 2,485 | LF | \$12.00 | \$ | 29,820.00 Full Median |
| Full Depth Asphalt | 9,249 | SY | \$61.00 | \$ | 564,189.00 9" asphalt depth |
| Sidewalk 10' Wide | 0 | LF | \$50.00 | \$ | - 10' wide 6" thick detached sidewalk |
| Sidewalk 8' Wide | 2,410 | LF | \$45.00 | \$ | 108,450.00 8' wide 6" thick detached sidewalk |
| Curb Return with Handicap Ramp | 12 | EA | \$2,275.00 | \$ | 27,300.00 |
| Existing Driveway Tie-Ins | 1 | EA | \$1,200.00 | \$ | 1,200.00 |
| R.O.W. Landscaping (Tree Lawn only) | 25,340 | SF | \$2.75 | \$ | 69,685.00 Includes Landscape Architect Fees, 10.5' tree lawn |
| R.O.W. Landscaping (Median) | 18,550 | SF | \$2.75 | \$ | 51,012.50 Includes Landscape Architect Fees |
| Subtotal | | | | \$ | 982,016.39 |
| STREET - CHAMBERS ROAD & 144TH INTERSECTION IMPROVEMENTS | | | | | |
| Demolition of Existing Asphalt Roadway | 537 | SY | \$10.00 | \$ | 5,366.67 |
| 6" Vertical Curb & Gutter | 230 | LF | \$21.00 | \$ | 4,830.00 6" Vertical with two foot pan |
| Full Depth Asphalt | 537 | SY | \$61.00 | \$ | 32,736.67 9" asphalt depth |
| Sidewalk | 115 | LF | \$40.00 | \$ | 4,600.00 10' wide 6" thick detached sidewalk |
| R.O.W. Landscaping | 1,150 | SF | \$2.75 | \$ | 3,162.50 Includes Landscape Architect Fees |
| Subtotal | | | | \$ | 50,695.83 |
| SIGNAGE | | | | | |
| Signs | 4 | EA | \$150.00 | \$ | 600.00 |
| Striping/Markings | 1 | LS | \$20,000.00 | \$ | 10,000.00 |
| Street Lights | 5 | EA | \$3,000.00 | \$ | 15,000.00 |
| Subtotal | | | | \$ | 25,600.00 |
| SANITARY SEWER IMPROVEMENTS: | | | | | |
| 12" PVC San. Sewer | 1,870 | LF | \$52.00 | \$ | 97,240.00 |
| Manholes | 6 | EA | \$4,400.00 | \$ | 26,400.00 |
| Connect to Existing SS line | 1 | EA | \$2,650.00 | \$ | 2,650.00 |
| Sewer Service Stub-Outs | 2 | EA | \$1,415.00 | \$ | 2,830.00 |
| Vacuum/Pressure Testing | 1,870 | LF | \$1.25 | \$ | 2,337.50 |
| Subtotal | | | | \$ | 131,457.50 |
| WATER IMPROVEMENTS: | | | | | |
| 12" Waterline | 0 | LF | \$100.00 | \$ | - Includes Valves, tees, bends, etc. |
| 8" Waterline | 100 | LF | \$46.00 | \$ | 4,600.00 Includes Valves, tees, bends, etc. |
| Fire Hydrant Assemblies | 3 | EA | \$6,970.00 | \$ | 20,910.00 |
| Connect to Existing Water Main | 1.0 | EA | \$1,760.00 | \$ | 1,760.00 |
| Water Services | 2 | EA | \$1,825.00 | \$ | 3,650.00 |
| Clear Water Testing | 2,640 | LF | \$1.25 | \$ | 3,300.00 |
| Asphalt Mix (9" over 12" depth) - Repair to 144th | 1,456 | LF | \$61.00 | \$ | 88,788.89 |
| Subtotal | | | | \$ | 123,008.89 |
| STORM IMPROVEMENTS | | | | | |
| Type R Storm Inlets | 1.5 | EA | \$12,400.00 | \$ | 18,600.00 |
| 18" F.E.S. | 0.5 | EA | \$2,315.00 | \$ | 1,157.50 |
| 24" F.E.S. | 0.5 | EA | \$2,515.00 | \$ | 1,257.50 |
| 30" F.E.S. | 0.5 | EA | \$2,825.00 | \$ | 1,412.50 |
| 5-ft Diameter Manhole | 1.5 | EA | \$4,050.00 | \$ | 6,075.00 |
| 18" RCP | 708.5 | LF | \$61.00 | \$ | 43,218.50 |
| 24" RCP | 92.5 | LF | \$83.00 | \$ | 7,677.50 |
| 30" RCP | 107.5 | LF | \$100.00 | \$ | 10,750.00 |
| Subtotal | | | | | 90,148.50 |
| GRADING & EROSION CONTROL | | | | | |
| GRADING | | | | | |
| Earthwork (import) | 14,855.0 | CY | \$2.20 | \$ | 32,681.00 (assumed 3' fill for all hard surfaces) |
| Silt Fence | 3,250.0 | LF | \$2.00 | \$ | 6,500.00 |
| Vehicle Tracking Control | 1.0 | EA | \$3,150.00 | \$ | 3,150.00 |
| Seeding & Mulching | 1.5 | AC | \$1,090.00 | \$ | 1,635.00 |
| Inlet Protection | 1.5 | EA | \$395.00 | \$ | 592.50 |
| Subtotal | | | | | 44,558.50 |
| ENGINEERING AND DESIGN | | | | | |
| Engineering and Design | 1 | EA | \$35,000.00 | \$ | 35,000.00 |
| Subtotal | | | | | 35,000.00 |

The Lakes Signature Pages

Final Audit Report

2020-06-15

| | |
|-----------------|----------------------------------------------|
| Created: | 2020-06-15 |
| By: | Andie Eckstrum (aekstrum@wbapc.com) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAA6oauhQHT8K6cyffUgzg_66IRIMv3Eobm |

"The Lakes Signature Pages" History

-  Document created by Andie Eckstrum (aekstrum@wbapc.com)
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-  Document emailed to Michael Richardson (mick@vhlco.com) for signature
2020-06-15 - 7:39:39 PM GMT

-  Document emailed to Erika Volling (erika@vhlco.com) for signature
2020-06-15 - 7:39:40 PM GMT

-  Document emailed to Paula J. Lindamood (paula@vhlco.com) for signature
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-  Email viewed by Paula J. Lindamood (paula@vhlco.com)
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-  Email viewed by Erika Volling (erika@vhlco.com)
2020-06-15 - 7:46:13 PM GMT- IP address: 50.76.143.38

-  Document e-signed by Erika Volling (erika@vhlco.com)
Signature Date: 2020-06-15 - 7:46:57 PM GMT - Time Source: server- IP address: 50.76.143.38

-  Email viewed by Michael Richardson (mick@vhlco.com)
2020-06-15 - 7:47:53 PM GMT- IP address: 50.76.143.38

-  Document e-signed by Michael Richardson (mick@vhlco.com)
Signature Date: 2020-06-15 - 7:49:13 PM GMT - Time Source: server- IP address: 50.76.143.38

-  Document e-signed by Paula J. Lindamood (paula@vhlco.com)
Signature Date: 2020-06-15 - 7:55:59 PM GMT - Time Source: server- IP address: 74.205.154.53

-  Signed document emailed to Brian Bowers (bbowers@wbapc.com), Michael Richardson (mick@vhlco.com), Erika Volling (erika@vhlco.com), Paula J. Lindamood (paula@vhlco.com), and 1 more
2020-06-15 - 7:55:59 PM GMT

FIRST AMENDMENT TO CAPITAL IMPROVEMENTS PLEDGE AGREEMENT

This FIRST AMENDMENT TO CAPITAL IMPROVEMENTS PLEDGE AGREEMENT (“First Amendment”) is made and entered into as of the 8th day of June 2021, by and between THE LAKES METROPOLITAN DISTRICT NO. 1 (“District No. 1”) and THE LAKES METROPOLITAN DISTRICT NO. 3 (“District No. 3”), both of which are quasi-municipal corporations and political subdivisions of the State of Colorado. District No. 1 and District No. 3 are collectively referred to herein as the “Districts.”

RECITALS

WHEREAS, the Districts previously entered into that certain Capital Improvements Pledge Agreement dated June 15, 2020 (the “2020 Capital Pledge Agreement”); and

WHEREAS, the 2020 Capital Pledge Agreement obligates District No. 3 to commit revenues from a Capital Improvements Levy (defined therein) to District No. 1 for the purpose of funding its share of the design and construction of improvements to 144th Avenue as described therein; and

WHEREAS, Paragraph 5(a) of the 2020 Capital Pledge Agreement establishes the obligation of District No. 3 to impose a mill levy of fifty (50) mills to fund the described improvements, subject to certain adjustments as stated therein; and

WHEREAS, Paragraph 10(a) of the 2020 Capital Pledge Agreement sets forth that the obligation of District No. 3 to satisfy its Payment Obligation (defined therein) shall be superior to any other obligation of District No. 3 to pay or reimburse for any capital costs or capital improvements (whether from mill levy or otherwise); and

WHEREAS, District No. 1 and District No. 3 have now entered into that certain “Capital and Operations Costs Pledge Agreement,” dated as of June 8, 2021 by which District No. 3 has agreed to an additional mill levy to be imposed thereunder, to generate revenues to be remitted to District No. 1 for the purposes stated therein (the “2021 Pledge Agreement”); and

WHEREAS, the Districts now desire to amend the 2020 Capital Pledge Agreement to state that the obligations of District No. 3 under the 2021 Pledge Agreement (including but not limited to the levy the Capital Improvements Mill Levy and remittance of revenues generated therefrom to District No. 1) shall be senior to the obligations of District No. 3 under the 2020 Capital Pledge Agreement.

NOW, THEREFORE, in consideration of the mutual agreement set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Districts agree as follows:

1. All terms which are not defined herein shall have the same meaning as set forth in the 2020 Capital Pledge Agreement.
2. All terms in the 2020 Capital Pledge Agreement not expressly modified by this First Amendment shall remain in effect as written.

3. Addition to Recitals: The following additional recital is hereby added following the fifth recital on page 2 of the 2020 Capital Pledge Agreement:

“WHEREAS, at the Election, the electors of District No. 3 also authorized the issuance of debt consisting of intergovernmental agreements or other contracts with one or more political subdivisions of the State, which constitute multiple fiscal year financial obligations for the purpose of providing any lawfully authorized public improvement; and”

4. Amendment to Paragraph 5(a): The first sentence of Paragraph 5(a) in the 2020 Capital Pledge Agreement is hereby deleted and replaced by the following:

“In consideration of the activities undertaken by District No. 1 to construct the Improvements, District No. 3 shall impose a mill levy of fifty (50) mills annually, less the mill levy required to be imposed by District No. 3 under the 2021 Pledge Agreement, subject to adjustment as hereinafter provided, and as further set forth in the following provisions.”

5. Amendment to Paragraph 10(a): Paragraph 10(a) of the 2020 Capital Pledge Agreement is hereby deleted in its entirety and replaced by the following:

(a) Accordingly, and except as set forth in the final sentence of this subparagraph (a), in order to induce District No. 1 to secure the Financing Arrangements, District No. 3 agrees that, with respect to any agreement of District No. 3 to pay or reimburse for any capital costs or capital improvements, its obligations to meet the Payment Obligation established hereunder shall be superior to any obligation of District No. 3 to pay or reimburse for any capital costs or capital improvements (whether from mill levy or otherwise). District No. 3 shall include language in any contract or other arrangement by which District No. 3 would become obligated to pay or reimburse for capital costs or capital improvements, establishing the superiority of the Payment Obligation (which language shall be reasonably acceptable to District No. 1) to any such obligation. This priority shall expire at such time as the Payment Obligation is satisfied in full. Notwithstanding anything in this subparagraph (a) or in this Agreement to the contrary, District No. 1 and District No. 3 expressly agree that the obligations of District No. 3 under that certain 2021 Pledge Agreement (including but not limited to the levy of the Capital Improvements Levy and remittance of revenues generated therefrom to District No. 1) shall be senior to the obligations contained in this Agreement until such time as District No. 3’s obligations under the 2021 Pledge Agreement are satisfied in full.

6. Construction and Interpretation: It is agreed and acknowledged by the Districts that the provisions of this First Amendment have been arrived at through negotiation, and that each of the Districts has had a full and fair opportunity to revise the provisions of this First Amendment and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this First Amendment.

7. Counterparts. This First Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

8. Governing Law. This First Amendment shall be governed and construed in accordance with the laws of the State of Colorado.

9. Conflicts. In the event of any express conflict or inconsistency between the terms of the Agreement and this First Amendment, this First Amendment shall control.

IN WITNESS WHEREOF, the Districts have executed this First Amendment as of the day and year first above written.

**THE LAKES METROPOLITAN DISTRICT
NO. 1**, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: Michael A. Richardson
Michael A. Richardson (Jul 8, 2021 17:14 MDT)

Officer of the District

Attest:

Erika Volling
Erika Volling (Jul 8, 2021 17:12 MDT)

Secretary

**THE LAKES METROPOLITAN DISTRICT
No. 3**, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: Michael A. Richardson
Michael A. Richardson (Jul 8, 2021 17:14 MDT)

Officer of the District

Attest:

Erika Volling
Erika Volling (Jul 8, 2021 17:12 MDT)

Secretary

(Signature Page to First Amendment to Capital Improvements Pledge Agreement)

ASSIGNMENT OF AND SECOND AMENDMENT TO CAPITAL IMPROVEMENTS PLEDGE AGREEMENT

This ASSIGNMENT OF AND SECOND AMENDMENT TO AND TO CAPITAL IMPROVEMENTS PLEDGE AGREEMENT (the “**Assignment**”) is made and entered into as of this 9th day of November, 2022, by and between THE LAKES METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 1**”), THE LAKES METROPOLITAN DISTRICT NO. 4, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 4**”), and THE LAKES METROPOLITAN DISTRICT NO. 3, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 3**”). District No. 1, District No. 3, and District No. 4 may be referred to herein as a “**Party**” and collectively as the “**Parties**.”

RECITALS

WHEREAS, District No. 1 and District No. 3 previously entered a Capital Improvements Pledge Agreement, dated June 15, 2020, as amended by a First Amendment to Capital Improvements Pledge Agreement, dated June 8, 2021 (collectively, the “**Agreement**”); and

WHEREAS, the Agreement establishes the terms and conditions of District No. 1’s construction authority and funding of the improvements to benefit the property within District No. 3; and

WHEREAS, District No. 1 desires to assign and District No. 4 desires to assume all of District No. 1’s rights and obligations under the Agreement; and

WHEREAS, Paragraph 4(a) of the Agreement defines “Payment Obligation” as District No. 3’s share of the Project Costs, as defined therein, based upon provisions of the Development Agreement and the Future Development Agreements, as defined therein;

WHEREAS, District No. 4 and District No. 3 desire to amend Payment Obligation to include applicable interest equal to District No. 4’s Limited Tax General Obligation Bonds, Series 2021A (“**Series 2021A Bonds**”), interest rate; and

WHEREAS, Paragraph 4(b) of the Agreement establishes the Project Costs and the proposed allocation to District No. 3 based upon an Engineer’s Estimate, as defined therein and attached thereto; and

WHEREAS, District No. 4 and District No. 3 desire to amend Paragraph 4(b) to establish project costs and the proposed allocation, including applicable interest equal to District No. 4’s bond interest rate, pursuant to an engineer’s estimate and an accountant’s certification for each contract for construction of the Improvements; and

WHEREAS, Paragraph 4(c) of the Agreement requires District No. 4 to notify District No. 3 of the amount of project costs allocable to District No. 3 for the applicable portion of the improvements following the award of any contract for construction of the Improvements; and

WHEREAS, District No. 4 and District No. 3 desire to amend Paragraph 4(c) of the Agreement to require District No. 4 to notify District No. 3 of its determination of the amount of Project Costs allocable to District No. 3 upon to the award of any contract for construction of the Improvements and to require interest equal to District No. 4's bond interest rate on the amount of Project Costs allocable to District No. 3.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, District No. 1, District No. 3, and District No. 4 hereby covenant and agree as follows:

COVENANTS AND AGREEMENTS

1. Defined Terms. Defined Terms used but not defined in this Assignment are as defined in the Agreement.

2. Assignment and Assumption. District No. 1 hereby transfers, conveys, and assigns to District No. 4 all of District No. 1's right, title and interest in and to the Agreement, and District No. 4 hereby accepts said transfer, conveyance, and assignment of District No. 1's right, title, and interest in and to the Agreement. District No. 1 is hereby released from all further obligations to District No. 3 pursuant to the Agreement that arise and are applicable to the period from and after the date of this Assignment.

3. Amendment to Paragraph 4(b). The Parties hereby amend and restate in its entirety Paragraph 4(b) of the Agreement as follows:

(b) For purposes of establishing estimates of Project Costs and the proposed allocation to District No. 3, District No. 4 shall obtain an engineer's estimate and an accountant's estimate of the Project Costs and applicable interest costs for each contract for construction of the Improvements. District No. 4's Engineer shall provide an estimate of Project Costs in form and substance reasonably acceptable to the District No. 4 declaring the amount of Project Costs allocable to District No. 3 for each contract for construction of the Improvements (the "**Engineer's Estimate**"). District No. 4's accountant shall review the engineer's estimate to substantiate the applicable Project Costs, shall provide an estimate of applicable interest equal to District No. 4's Limited Tax General Obligation Bonds, Series 2021A ("**Series 2021A Bonds**"), and shall issue a cost estimate in form and substance reasonably acceptable to District No. 4 declaring the total amount of Project Costs associated with each contract for construction of the Improvements (the "**Accountant's Estimate**").

4. Amendment to Paragraph 4(c). The Parties hereby amend and restate in its entirety Paragraph 4(c) of the Agreement as follows:

(c) Upon the award of any contract for construction of the Improvements, District No. 4 shall notify District No. 3 of its determination of the amount of Project Costs allocable to District No. 3 for the applicable portion of the Improvements. On the date of execution of any contract for construction of the Improvements, the amount of Project Costs allocable to District No. 3 for the applicable portion of the Improvements will be subject to annual interest annually equal to District No. 4's Series 2021A Bonds interest rate. At the time of making final payment on each contract for the Improvements, District No. 4 shall notify District No. 3 of the final allocation of Project Costs to District No. 3, and the resulting total Payment Obligation for that portion of the Improvements. District No. 3 shall be entitled to examine the financial records of District No. 4 to verify the accuracy of the allocation, which examination shall be concluded within thirty (30) days of District No. 4's notice of the final allocation of Project Costs. District No. 4 shall be entitled to object to the final allocation only in the event of a mathematical error, and to the extent of the dollar amount that is the subject of the error (e.g. only the contested amount of Project Costs, not the uncontested amounts). In the event of a mathematical error, the parties shall cooperate to resolve the same promptly. To the extent necessary, the parties shall consult with the accountant for District No. 1 to resolve the issue.

4. Notices. Except as otherwise provided herein, all notices or payments required to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, or air freight, to the following addresses:

To District No. 1:

c/o White Bear Ankele Tanaka & Waldron
2154 E. Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: William P. Ankele
Phone: (303) 888-1300
Email: wpankele@wbapc.com

To District No. 4:

c/o White Bear Ankele Tanaka & Waldron
2154 E. Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: William P. Ankele
Phone: (303) 888-1300
Email: wpankele@wbapc.com

To District No. 3:

c/o Icenogle Seaver Pogue
4725 South Monaco Street, Suite 360
Denver, CO 80237
Attention: Alan D. Pogue, Special Counsel to District No. 3
Phone: (303) 912-7405
Email: Apogue@ISP-law.com

With copies to:

c/o White Bear Ankele Tanaka & Waldron
2154 E. Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: William P. Ankele
Phone: (303) 888-1300
Email: wpankele@wbapc.com

5. Prior Provisions Effective. Except as specifically set forth in this Assignment, all the terms and provisions of the Agreement shall remain in full force and effect.

6. Inurement. This Assignment shall be binding upon, and shall inure to the benefit of the Parties, their successors in interest, heirs, assigns, officers, employees, attorneys, agents, directors, and shareholders.

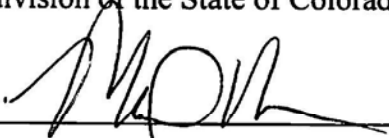
7. Counterparts. This Assignment may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies of this Assignment may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories to this Assignment.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the Parties have executed this Assignment to be effective as of the date first set forth above.

DISTRICT NO. 1:

THE LAKES METROPOLITAN DISTRICT NO. 1,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: 

Printed Name: Michael Richardson

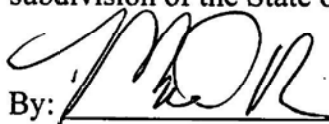
Title: President

ATTEST:



DISTRICT NO. 4:

THE LAKES METROPOLITAN DISTRICT NO. 4,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: 

Printed Name: Michael Richardson

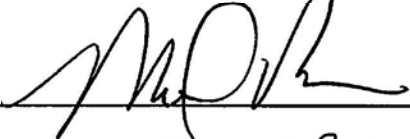
Title: President

ATTEST:



DISTRICT NO. 3:

THE LAKES METROPOLITAN DISTRICT NO. 3,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: 

Printed Name: Michael Richardson

Title: President

ATTEST:

Erika Velling

CAPITAL AND OPERATIONS COSTS PLEDGE AGREEMENT

THIS CAPITAL AND OPERATIONS COSTS PLEDGE AGREEMENT (the “**2021 Pledge Agreement**”) is made and entered into as of this 8th day of June 2021, by and between **The Lakes Metropolitan District No. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 1**”) and **The Lakes Metropolitan District No. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 3**”).

RECITALS

WHEREAS, The Lakes Metropolitan District Nos. 1-6 (collectively, “the **Districts**”), were organized to provide public infrastructure for developments known as “Brighton Lakes” and “Indigo Trails,” in the City of Brighton, Colorado; and

WHEREAS, to implement a common plan of finance, the Districts are expected to coordinate the financing and construction of public improvements necessary for the development of Brighton Lakes and Indigo Trails (the “**Project**”); and

WHEREAS, The Lakes Metropolitan District No. 1 and The Lakes Metropolitan District Nos. 3-6 are parties to that certain Intergovernmental Agreement Regarding Cost Sharing and Reimbursement (“**Cost Sharing IGA**”) dated as of June 8, 2021; and

WHEREAS, as set forth in the Cost Sharing IGA, the initial developer of the Project, Brighton Lakes, LLC (“**Brighton Lakes**”) funded, either directly or by making advances, certain costs in connection with the organization of The Lakes Metropolitan District Nos. 1, 3, and 4, and certain other capital, administrative and operations costs subsequent thereto (collectively, the “**BL Prior Costs**”); and

WHEREAS, the Cost Sharing IGA also sets forth that RH Indigo Trails, LLLP (“**Indigo Trails**”) has also undertaken development activities for the Project, and funded either directly or by making advances, certain capital, administrative and operations costs (the “**Indigo Trails Prior Costs**”); and

WHEREAS, the BL Prior Costs and the Indigo Trails Prior Costs shall be known collectively in this 2021 Pledge Agreement as the “**Combined Prior Costs**”; and

WHEREAS, pursuant to certain reimbursement agreements described in the Cost Sharing IGA (the “**Developer Reimbursement Agreements**”), District No. 1 is obligated to reimburse Brighton Lakes and Indigo Trails, as applicable, for the Combined Prior Costs, with the expectation that The Lakes Metropolitan District Nos. 3-6 shall contribute funds to District No. 1 to pay their equitable share of the Combined Prior Costs; and

WHEREAS, in connection with the execution of the Cost Sharing IGA, District No. 1 and District Nos. 3-6 participated in an analysis of the timing and total amount of the Combined Prior Costs for the purpose of arriving at a fair and equitable allocation of costs among District Nos. 3-6, which allocation is specified in Exhibit A to the Cost Sharing IGA; and

WHEREAS, the amount allocable to District No. 3 for the Combined Prior Costs under the Cost Sharing IGA is \$367,886.21 (“**District No. 3 Allocable Amount**”); and

WHEREAS, that portion of the District No. 3 Allocable Amount that consists of capital costs and that portion of the District No. 3 Allocable Amount that consists of administrative and operations costs shall be referred to herein as the “**Capital Costs**” and the “**Operations Costs**,” respectively; and

WHEREAS, District No. 3 desires to establish the terms of funding the District No. 3 Allocable Amount in order to permit District No. 1 to meet its obligations to reimburse Brighton Lakes and Indigo Trails for the Combined Prior Costs under the Developer Reimbursement Agreements, including simple interest continuing to accrue thereon at the rate of 6% per annum; and

WHEREAS, the Cost Sharing IGA contemplates District Nos. 3-6 issuing to District No. 1, one or more “Reimbursements Obligations,” being multiple fiscal year financial obligations as more specifically defined therein, if no funds are available or if District Nos. 3-6 are unable to issue debt to reimburse District No. 1 for the Combined Prior Costs; and

WHEREAS, District No. 3 desires to enter into this 2021 Pledge Agreement to serve as a Reimbursement Obligation as contemplated under the Cost Sharing IGA in an aggregate principal amount equal to the District No. 3 Allocable Amount; and

WHEREAS, Part 1 of Article 1 of Title 32, Colorado Revised Statutes generally authorizes special districts to annually impose a property tax levy to fund the costs of providing for public infrastructure, and funding administrative, operations and maintenance costs; and

WHEREAS, at an election held on May 6, 2014 (the “**2014 Election**”), the electors of District No. 3 authorized the levy of taxes in the annual amount of \$5,000,000 for various purposes, including taxes to be levied for purposes of funding capital expenses, and administrative, operations and maintenance costs; and

WHEREAS, at the 2014 Election, the electors of District No. 3 also authorized the issuance of debt for the purpose of paying, reimbursing, financing or refinancing all or any part of the District’s operating and maintenance expenses, or advances of operating and maintenance expenses; and

WHEREAS, at the 2014 Election, and at a subsequent election held on May 5, 2020 (the “**2020 Election**”), the electors of District No. 3 authorized the issuance of debt in the amounts of \$80,000,000 and \$120,000,000, respectively, for capital costs and any lawful activity of the District, in the form of intergovernmental agreements or other contracts with one or more political subdivisions of the State, which contracts will constitute multiple fiscal year financial obligations for any lawful activity of District No. 3; and

WHEREAS, the levy of property taxes to fund the costs constituting the District No. 3 Allocable Amount is, therefore, authorized by the 2014 Election and the 2020 Election; and

WHEREAS, accordingly, this 2021 Pledge Agreement sets forth the agreement of District No. 1 and District No. 3 relative to the imposition by District No. 3 of a property tax levy to fund the Capital Costs from a property tax mill levy (the “**Capital Improvements Levy**”), to fund the Operations Costs from a separate property tax levy (the “**Contractual Obligations Levy**”)(collectively the “**2021 Pledge Agreement Levies**), and the remittance of revenues generated therefrom (the “**Property Tax Revenues**”) to District No. 1 to satisfy the District No. 3 Allocable Amount; and

WHEREAS, it is the intent of the parties that any legally-available revenues of District No. 3 may be used at the discretion of District No. 3 to fund the District No. 3 Allocable Amount; and

WHEREAS, the Payment Obligation defined in this 2021 Pledge Agreement and the obligation of District No. 3 under this 2021 Pledge Agreement to impose the 2021 Pledge Agreement Levies shall be superior to the obligation of District No. 3 to impose the Capital Improvement Levy, as that term is defined in that certain “Capital Improvements Pledge Agreement” dated as of June 15, 2020, as amended by that certain “First Amendment to Capital Improvements Pledge Agreement,” made an entered into as of June 8, 2021 (collectively the “**2020 Capital Improvements Pledge Agreement**”); and

WHEREAS, upon the receipt of the Property Tax Revenue, District No. 3 shall remit the same to District No. 1, and District No. 1 shall utilize such funds to reimburse, as appropriate, Brighton Lakes and Indigo Trails for the District No. 3 Allocable Amount.

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

COVENANTS AND AGREEMENTS

1. Reimbursement Obligation. This 2021 Pledge Agreement serves as a Reimbursement Obligation as contemplated under the Cost Sharing IGA, which constitutes an indebtedness or multiple fiscal year financial obligation pursuant to Article X, Section 20 of the Colorado Constitution, to provide for long-term reimbursement of the District No. 3 Allocable Amount, as authorized by District No. 3’s electors at the 2014 Election and 2020 Election.

2. Payment Obligation and Interest.

(a) The parties acknowledge that the District No. 3 Allocable Amount as set forth in the Cost Sharing IGA is \$367,886.21 (the “**Payment Obligation**”).

(b) Simple interest shall accrue on the principal amount of the Payment Obligation at the rate of 6% per annum until paid.

3. District No. 3 to Levy 2021 Pledge Agreement Levies.

(a) In consideration of the commitments of District No. 1 to pay the Developer under the Developer Reimbursement Agreements, District No. 3 shall impose a mill levy of fifty (50) mills, subject to adjustment as provided in Paragraph 3(a)(i) and (ii), below (the “**Required Mill Levy**”), to be allocated between the Capital Improvements Levy and the Contractual Obligations Levy as set forth below. District No. 1 shall notify District No. 3 each year by October 15, or as soon thereafter as practicable, of the amount of revenue to be generated in the next budget year from the Capital Improvements Levy and the Contractual Obligations Levy, respectively. On or before December 15, 2021, and on or before each December 15th thereafter until the full amount of the Payment Obligation has been paid (including interest thereon), District No. 3 agrees to certify a Capital Improvements Levy and a Contractual Obligations Levy, up to the amount of the Required Mill Levy, necessary to produce the amount of Property Tax Revenues specified by District No. 1 to be generated to pay Capital Costs and/or Operations Costs in the following year, provided further that:

(i) in the event that the method of calculating assessed valuation was changed after January 1, 2017, or changes in the future, the 2021 Pledge Agreement Levies provided herein will be increased or decreased to reflect such changes, with such increases or decreases to be determined by District No. 1 in consultation with District No. 3 in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by such mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(ii) in no event may the 2021 Pledge Agreement Levies be established at a mill levy rate which would cause District No. 3 to derive tax revenue in any year in excess of the maximum tax increases permitted by District No. 3’s electoral authorization, and if the 2021 Pledge Agreement Levies as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by District No. 3’s electoral authorization, the 2021 Pledge Agreement Levies shall be reduced to the point that such maximum tax increase is not exceeded.

(b) The obligation of District No. 3 to fund the Payment Obligation shall constitute a limited tax obligation of District No. 3 payable from and to the extent of the Property Tax Revenues. The Payment Obligation shall constitute an irrevocable lien upon the Property Tax Revenues for the benefit of District No. 1, and/or any party to which District No. 1 has assigned its rights to the Property Tax Revenues hereunder, which lien shall terminate and expire upon District No. 3’s full satisfaction of the Payment Obligation.

(c) To the extent District No. 3 has funds from other legally available sources to pay all or any portion of the Payment Obligation and remits those funds to District No. 1 prior to the date by which the Required Mill Levy must be certified, then the Required Mill Levy may be reduced or eliminated.

(d) This Paragraph 3 is hereby declared to be the certificate of District No. 3 to the Board of County Commissioners for Adams County indicating the aggregate amount of taxes to be levied for the purposes of paying the Payment Obligation due hereunder.

(e) It shall be the duty of District No. 3 annually at the time and in the manner provided by law for the levying of its taxes, if such action shall be necessary to effectuate the provisions of this 2021 Pledge Agreement, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes herein specified, and to require the officers of District No. 3 to cause the appropriate officials of Adams County, to levy, extend and collect said ad valorem taxes in the manner provided by law for the purpose of providing funds for the payment of the Payment Obligation promptly as the same, respectively, become due. Said taxes, when collected, shall be applied only to the payment of the Payment Obligation set forth herein.

(f) Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado.

(g) The obligations of District No. 3 hereunder, including but not limited to the obligation to impose the 2021 Pledge Agreement Levies and remit the Property Tax Revenues to District No. 1, shall be senior to the obligations of District No. 3 under the 2020 Capital Pledge Agreement.

(h) District No. 3 shall pursue all reasonable remedies to collect, or cause the collection of, delinquent 2021 Pledge Agreement Levies within its boundaries until the Payment Obligation hereunder is satisfied and no longer outstanding.

(i) Upon payment of the full amount of the Payment Obligation (including interest accrued thereon), the Payment Obligation of District No. 3 will be deemed satisfied and no longer outstanding and the lien upon the Property Tax Revenues created in subparagraph (b) above shall terminate and expire.

(j) In the event District No. 1 does not declare the amount of revenue to be generated from the Capital Improvements Levy and the Contractual Obligations Levy, respectively, or does not notify District No. 3 of the amount of revenue to be generated from the Capital Improvements Levy and/or the Contractual Obligations Levy as provided in Paragraph 3(a) hereof, District No. 3 shall impose for the following tax collection year the full amount of the Required Mill Levy as a Contractual Obligations Levy.

4. Effectuation of Pledge of Security, Current Appropriation. The sums herein required to pay the amounts due hereunder are hereby appropriated for that purpose, and said amounts for each year shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Board of Directors of District No. 3 each year while any of the Payment Obligation remains outstanding and unpaid. No provisions of any constitution, statute, resolution or other order or measure enacted after the execution of this 2021 Pledge Agreement shall in any manner be construed as limiting or impairing the obligation of District No. 3 to levy ad valorem property taxes, or as limiting or impairing the obligation of District No. 3 to levy, administer, enforce and collect the ad valorem property taxes as provided herein for the Payment Obligation hereunder.

5. Limited Defenses; Specific Performance. It is understood and agreed by District No. 3 that its obligations hereunder are absolute, irrevocable, and unconditional, and so long as any obligation of District No. 3 hereunder remains unfulfilled, District No. 3 agrees that notwithstanding any fact, circumstance, dispute, or any other matter, it will not assert any rights of setoff, counterclaim, estoppel, or other defenses to its Payment Obligation and/or the obligation to impose the 2021 Pledge Agreement Levies, or take or fail to take any action which would delay a payment to, or on behalf of, District No. 1 or impair the ability of District No. 1 to receive payments due hereunder. Notwithstanding that this 2021 Pledge Agreement specifically prohibits and limits defenses and claims of District No. 3, in the event that District No. 3 believes that it has valid defenses, setoffs, counterclaims, or other claims other than specifically prohibited by this Paragraph 5, it shall, nevertheless, make all payments as described herein and then may attempt or seek to recover such payments by actions at law or in equity for damages or specific performance, respectively.

6. Remittance of Property Tax Revenues to District No. 1/Use. District No. 3 shall remit the Property Tax Revenues to District No. 1 immediately upon receipt. District No. 1 shall utilize such Property Tax Revenues exclusively for reimbursing Brighton Lakes and Indigo Trails for the District No. 3 Allocable Amount. District No. 1 shall have discretion to apply the Property Tax Revenues in any priority as between Brighton Lakes and Indigo Trails.

7. Issuance of Bonds by District No. 3/Priority Over Other Financial Obligations. District No. 3 acknowledges and agrees that: District No. 1 is obligated to pay Brighton Lakes and Indigo Trails under the Developer Reimbursement Agreements; District No. 1 expects that District No. 3 shall contribute funds to pay the District No. 3 Allocable Amount; and the failure of District No. 3 to meet its Payment Obligation will cause substantial financial damage to District No. 1.

(a) Accordingly, in order to allow District No. 1 to fund the reimbursements under Developer Reimbursement Agreements, District No. 3 agrees that, its obligations to meet the Payment Obligation established hereunder shall be superior to any obligation of District No. 3 to pay or reimburse for any capital costs or administrative, operations or maintenance costs (whether established prior to or after the execution of this 2021 Pledge Agreement, and whether from mill levy, fees or other revenues). As previously established, the obligation to impose the 2021 Pledge Agreement Levies hereunder is superior to that established in the 2020 Capital Pledge Agreement. District No. 3 shall include language in any contract or other arrangement by which District No. 3 would become obligated to pay or reimburse for capital costs, or administrative, operations or maintenance costs, establishing the superiority of the Payment Obligation (which language shall be reasonably acceptable to District No. 1) to any such obligation. This priority shall expire at such time as the Payment Obligation is satisfied in full. This entire subparagraph (a) is subject to all terms and conditions set forth in subparagraph (b) below and, in the event there is a conflict with this subparagraph (a) and subparagraph (b), subparagraph (b) shall prevail.

(b) Additionally, District No. 3 agrees to use its best efforts to issue bonds to fund the Payment Obligation, whether or not included within a Reimbursement Obligation, at the earliest practicable date based on growth in assessed valuation within District No. 3, and advice from bond underwriters or other financial advisors skilled in municipal finance. Notwithstanding the foregoing, the parties agree and acknowledge that the proceeds of any bonds issued by District No. 3 hereinafter may not be available to fund that portion of the Payment Obligation constituting

the Operations Costs due to legal constraints. To the extent that the proceeds of bonds are insufficient to satisfy the entire then-remaining Payment Obligation, the parties agree and acknowledge that the terms upon which such future bonds will be issued will likely require that District No. 3's obligation to levy the Required Mill Levy hereunder be subordinate to the pledge of mill levy to pay such bonds (or may have other requirements affecting the use of the Property Tax Revenues for purposes of funding the Payment Obligation), and that, as a result, the ability of District No. 1 to receive Property Tax Revenues to satisfy the Payment Obligation, will be impaired. In such case, the parties agree that District No. 3's obligation to impose the Required Mill Levy shall be made subordinate to any obligations established in such bonds to levy a property tax mill levy, to the extent required in connection with the terms of such bonds, by such instrument as may be required by the terms of such bonds and/or to effectuate the issuance of such bonds. Because such a subordination in priority of District No. 3's obligation to impose the Required Mill Levy will impair the ability of District No. 1 to receive the Property Tax Revenues as required hereunder to pay the Payment Obligation, District No. 3 agrees that it will not proceed to issue bonds unless the terms of such bond issuance are approved by District No. 1, which approval shall not be unreasonably withheld, delayed, or conditioned, and such approval or disapproval shall be based on the interest of District No. 1's ability to receive the Property Tax Revenues. Furthermore, District No. 1 shall have the first right to all bond proceeds realized by District No. 3, whenever issued, until the Payment Obligation is paid in full, but only up to the amount of the Payment Obligation outstanding at the time such bonds are issued and only to the extent such proceeds are not pledged towards the payment of an obligation senior to that of District No. 3's Payment Obligation hereunder. To the extent that bond proceeds will be allocated towards the Payment Obligation, the terms of closing on the issuance of bonds by District No. 3 will include a provision that the net proceeds of any such bond issue in an amount necessary to fully or in part satisfy the Payment Obligation will be wired directly to an account designated by District No. 1.

(c) District No. 3 may, in its sole discretion, pay the Payment Obligation in full at any time without penalty. Upon such occurrence, District No. 3 shall have no further obligations pursuant to this 2021 Pledge Agreement.

8. Representations and Warranties of District No. 3. District No. 3 hereby makes the following representations and warranties with respect to itself:

(a) District No. 3 is a quasi-municipal corporation and political subdivision duly organized and validly existing under the laws of the State of Colorado.

(b) District No. 3 has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this 2021 Pledge Agreement. The District's execution, delivery, and performance of this 2021 Pledge Agreement have been duly authorized by all necessary action.

(c) District No. 3 is not in violation of any of the applicable provisions of law or any order of any court having jurisdiction in the matter, which violation could reasonably be expected to materially adversely affect the ability of District No. 3 to perform its obligations hereunder. The execution, delivery and performance by District No. 3 of this 2021 Pledge Agreement (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator, or governmental authority, (ii) will not violate

any provision of any document or agreement constituting, regulating, or otherwise affecting the operations or activities of District No. 3 in a manner that could reasonably be expected to result in a material adverse effect, and (iii) will not violate any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest, or encumbrance of any kind on any of the revenues or other assets of District No. 3 pursuant to the provisions of any mortgage, indenture, contract, agreement, or other undertaking to which District No. 3 is a party or which purports to be binding upon District No. 3 or upon any of its revenues or other assets which could reasonably be expected to result in a material adverse effect.

(d) District No. 3 has obtained all consents and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by District No. 3 of this 2021 Pledge Agreement.

(e) There is no action, suit, inquiry, investigation, or proceeding to which District No. 3 is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body, or official which is pending or, to the best knowledge of District No. 3, threatened, in connection with any of the transactions contemplated by this 2021 Pledge Agreement nor, to the best knowledge of District No. 3 is there any basis therefor, wherein an unfavorable decision, ruling, or finding could reasonably be expected to have a material adverse effect on the validity or enforceability of, or the authority or ability of District No. 3 to perform its obligations under, this 2021 Pledge Agreement.

(f) This 2021 Pledge Agreement constitutes the legal, valid, and binding obligation of District No. 3, enforceable against District No. 3 in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium, or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

9. Events of Default. The occurrence or existence of any one or more of the following events shall be an "Event of Default" hereunder, and there shall be no default or Event of Default hereunder except as provided in this Paragraph 9:

(a) District No. 3 fails or refuses to impose the 2021 Pledge Agreement Levies or to remit the Property Tax Revenues as required by the terms of this 2021 Pledge Agreement;

(b) any representation or warranty made by District No. 3 in this 2021 Pledge Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompleteness would have a material adverse effect upon District No. 1;

(c) District No. 3 fails in the performance of any other of its covenants in this 2021 Pledge Agreement, and such failure continues for sixty (60) days after written notice from District No. 1 specifying such default and requiring the same to be remedied is given to District No. 3;

(d) District No. 3 shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement,

adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, Bank, custodian, or other similar official for itself or for any substantial part of its property, or District No. 3 shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against District No. 3 any case, proceeding, or other action of a nature referred to in clause (i) and the same shall remain not dismissed within ninety (90) days following the date of filing; or (iii) there shall be commenced against District No. 3 any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within ninety (90) days from the entry thereof, or (iv) District No. 3 shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) District No. 3 shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(e) District No. 1 shall fail to promptly apply the Property Tax Revenues to reimburse Brighton Lakes and Indigo Trails for the District No. 3 Allocable Amount as set forth in Paragraph 6 hereof.

10. Remedies for Events of Default. Upon the occurrence and continuance of an Event of Default, any party may proceed to protect and enforce its rights against the party or parties causing the Event of Default by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for specific performance. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

11. Pledge of Revenue. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Payment Obligation shall be governed by §11-57-208 of the Supplemental Act and this 2021 Pledge Agreement. The Property Tax Revenues shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against District No. 3 irrespective of whether such persons have notice of such liens.

12. No Recourse against Officers and Agents. Pursuant to §11-57-209 of the Supplemental Act, if a member of the Board of Directors of District No. 3, or any officer or agent of District No. 3 acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the Payment Obligation. Such recourse shall not be available either directly or indirectly through the Board of District No. 3, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of this 2021 Pledge Agreement and as a part of the consideration hereof, District No. 3 specifically waives any such recourse.

13. Conclusive Recital. Pursuant to §11-57-210 of the Supplemental Act, this 2021 Pledge Agreement contains a recital that it is issued pursuant to certain provisions of the

Supplemental Act, and such recital is conclusive evidence of the validity and the regularity of this 2021 Pledge Agreement after its execution.

14. Limitation of Actions. Pursuant to §11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization, execution, or delivery of this 2021 Pledge Agreement shall be commenced more than thirty days after the authorization of this 2021 Pledge Agreement.

15. Notices. Except as otherwise provided herein, all notices or payments required to be given under this 2021 Pledge Agreement shall be in writing and shall be hand delivered, sent by certified mail, return receipt requested, or by email, to the following addresses:

To District No. 1:

c/o White Bear Ankele Tanaka & Waldron
2154 E. Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: William P. Ankele, Jr.
Phone: (303) 888-1300
Email: wpankele@wbapc.com

To District No. 3:

c/o Icenogle Seaver Pogue
4725 South Monaco Street, Suite 360
Denver, CO 80237
Attention: Alan D. Pogue, Special Counsel to District No. 3
Phone: (303) 912-7405
Email: Apogue@ISP-law.com

All notices or documents delivered or required to be delivered under the provisions of this 2021 Pledge Agreement shall be deemed received one (1) day after hand delivery, three (3) days after mailing, or on the date transmitted by email. Any party, by written notice so provided may change the address to which future notices shall be sent.

16. Miscellaneous.

(a) This 2021 Pledge Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this 2021 Pledge Agreement and supersedes all prior and contemporaneous understandings or agreements of the parties. This 2021 Pledge Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. In the event of any conflict between provisions of this 2021 Pledge Agreement, or any other agreement between the parties, provisions of this 2021 Pledge Agreement shall control. No party has been induced to enter into this 2021 Pledge Agreement by, nor is any party relying on, any representation, understanding, agreement, commitment, or warranty outside those expressly set forth in this 2021 Pledge Agreement.

(b) If any term or provision of this 2021 Pledge Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this 2021 Pledge Agreement, and such provision shall not affect the legality, enforceability, or validity of the remainder of this 2021 Pledge Agreement. If any provision or part thereof of this 2021 Pledge Agreement is stricken in accordance with the provisions hereof, then such stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

(c) It is intended that Brighton Lakes and Indigo Trails be third party beneficiaries of this 2021 Pledge Agreement. Nothing contained herein, expressed or implied, is intended to give to any other person other than the parties, any claim, remedy, or right under or pursuant hereto.

(d) This 2021 Pledge Agreement may not be assigned or transferred by any party without the prior written consent of the other party.

(e) This 2021 Pledge Agreement shall be governed by and construed under the applicable laws of the State of Colorado.

(f) Venue for any and all claims brought by either Party to enforce any provision of this Agreement shall be the District Court in and for the County of Adams, State of Colorado.

(g) This 2021 Pledge Agreement may be amended or supplemented by the parties, but any such amendment or supplement must be in writing and must be executed by all parties.

(h) If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which banks in Denver, Colorado are authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which banks in Denver, Colorado are authorized or required by law to remain closed.

(i) Each party has participated fully in the review and revision of this 2021 Pledge Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this 2021 Pledge Agreement. The language in this 2021 Pledge Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

(j) This 2021 Pledge Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

17. Effective Date and Termination Date. This 2021 Pledge Agreement shall become effective as of the date set forth on the title page hereto and shall remain in effect until the Payment Obligation has been fully satisfied.

IN WITNESS WHEREOF, this 2021 Pledge Agreement has been made effective as of the day and year first written above by duly authorized representatives of District No. 1 and District No. 3.

THE LAKES METROPOLITAN DISTRICT NO. 1

By: Michael A. Richardson
Michael A. Richardson (Sep 17, 2021 12:16 MDT)
President

ATTEST

By: Erika Volling
Erika Volling (Sep 17, 2021 12:15 MDT)
Secretary

THE LAKES METROPOLITAN DISTRICT NO. 3

By: Michael A. Richardson
Michael A. Richardson (Sep 17, 2021 12:16 MDT)
President

ATTEST

By: Erika Volling
Erika Volling (Sep 17, 2021 12:15 MDT)
Secretary

(Signature page to 2021 Pledge Agreement)

Exhibit A

Description of Prior District Advances

Allocations to MDs of Developer Advances through 6/8/21

| BRIGHTON LAKES | MD 3 |
|-----------------------|---------------|
| CAPITAL | \$ 62,738.31 |
| ACCRUED INTEREST | \$ 57,380.50 |
| OPERATIONS | \$ 33,740.23 |
| ACCRUED INTEREST | \$ 35,673.38 |
| INDIGO TRAILS | |
| CAPITAL | \$ 29,601.56 |
| ACCRUED INTEREST | \$ 32,470.43 |
| OPERATIONS | \$ 55,453.72 |
| ACCRUED INTEREST | \$ 60,828.09 |
| | <hr/> |
| Total Capital | \$ 182,190.79 |
| Total Operations | \$ 185,695.42 |
| | <hr/> |
| | \$ 367,886.21 |

Invoices were examined to determine the portion of advances applicable to each district.

General expenditures were allocated equally to all districts active at the time.

Advances from Brighton Lakes were allocated equally to the original four districts.

Advances from Indigo Trails were allocated proportionally based on expenditures from the districts.

**INTERGOVERNMENTAL
AGREEMENT REGARDING COST SHARING
AND REIMBURSEMENT**

This **INTERGOVERNMENTAL AGREEMENT REGARDING COST SHARING AND REIMBURSEMENT** (the "**Agreement**") is entered into as of the 8th day of June, 2021, by and between **THE LAKES METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (referred to as "**District No. 1**") and **THE LAKES METROPOLITAN DISTRICT NOS. 3-6**, each a quasi-municipal corporation and political subdivision of the State of Colorado (individually referred to as "**District No. 3**," "**District No. 4**," "**District No. 5**" and "**District No. 6**"), collectively referred to herein as the "**District Nos. 3-6**," "**the Districts**" or "**the Parties**".)

RECITALS

WHEREAS, District Nos. 1, 3 and 4 (together with The Lakes Metropolitan District No. 2 ("**District No. 2**"), which is not a party to this Agreement) were organized in 2007 and each operate pursuant to their First Amended and Restated Service Plans ("**Amended and Restated Service Plans**") as approved by the City Council of the City of Brighton (the "**City**") on December 19, 2017, as may be amended from time to time, and are each quasi-municipal corporations and political subdivisions of the State of Colorado; and

WHEREAS, District Nos. 5 and 6 were organized in 2018 and operate pursuant to their respective Service Plans ("**District Nos. 5 and 6 Service Plan**" and with the "**Amended and Restated Service Plans**" collectively, the "**Service Plans**") as approved by the City on December 19, 2017, as may be amended from time to time, and are each quasi-municipal corporations and political subdivisions of the State of Colorado; and

WHEREAS, District Nos. 5 and 6 are currently in inactive status but it is anticipated that they will become parties to this Agreement by execution of same at such time as said districts return to active status as set forth in Section 32-1-104, C.R.S.; and

WHEREAS, in accordance with the provisions of the Service Plan, the Districts were organized for the purposes of the design, acquisition, construction, installation, and financing of certain public improvements, as more fully set forth therein (the "**Public Improvements**"), for the development of a 525 acre mixed use development commonly referred to as "The Lakes" (the "**Project**"); and

WHEREAS, the initial developer of the Project was Brighton Lakes, LLC ("**Brighton Lakes**," or "**BL**"), with additional development activities being undertaken by RH Indigo Trails, LLLP ("**Indigo Trails**," or "**IT**"); and

WHEREAS, Brighton Lakes has funded, either directly or by making advances, certain costs in connection with the organization of District Nos. 1, 3 and 4 (the "**Original Organizational Costs**"), and certain other capital and administrative costs subsequent thereto

(the “**BL Capital Costs,**” and the “**BL Administrative Costs,**” respectively. Collectively all such costs shall be referred to as the “**BL Prior Costs;**” and

WHEREAS, the agreements by which the BL Prior Costs have been advanced (all with District No. 1) are that certain “Operations Funding Agreement,” dated March 7, 2007, that certain “Project Funding and Reimbursement Agreement,” dated January 22, 2007, that certain “Capital Advance and Reimbursement Agreement,” dated November 7, 2008, and that certain “Operation Funding Agreement,” dated December 19, 2008 (collectively, the “**BL Agreements**”); and

WHEREAS, Indigo Trails has funded, either directly or by making advances, certain costs in connection with the organization of District Nos. 5 and 6 (the “**District 5/6 Organizational Costs**”), and certain other capital and administrative costs subsequent thereto (the “**IT Capital Costs,**” and the “**IT Administrative Costs,**” respectively. Collectively all such costs shall be referred to as the “**IT Prior Costs;**” and

WHEREAS, the agreement by which Indigo Trails has funded the IT Administrative Costs (all with District No. 1) is that certain “2015-2016 Operation Funding Agreement,” dated May 21, 2015, as amended by that certain “First Amendment to 2015-2016 Operation Funding Agreement,” dated November 9, 2016, and that certain “Second Amendment to 2015-2016 Operation Funding Agreement,” dated December 11, 2017 (all with District No. 1)(collectively, the “**2015-2016 OFA**”); and

WHEREAS, the agreement with District No. 1 by which Indigo Trails has funded District 5/6 Organizational Costs and IT Capital Costs is that certain “Funding and Reimbursement (Capital Costs),” dated as of June 8, 2021 (the “**2021 Capital Agreement;**” and

WHEREAS, the 2015-2016 OFA and the 2021 Capital Agreement shall be referred to herein as the “**IT Agreements;**” and

WHEREAS, within this Agreement, the BL Prior Costs and the IT Prior Costs shall be known collectively as the “**Combined Prior Costs;**” and

WHEREAS, District No. 1 is obligated to Brighton Lakes and Indigo Trails to reimburse for the Combined Prior Costs advanced by such entities, through the BL Agreements and the IT Agreements, with the expectation that District Nos. 3-6 shall contribute funds to pay their equitable share of such costs; and

WHEREAS, the Districts have participated in an analysis of the timing and total amount of the Combined Prior Costs for the purpose of arriving at a fair and equitable allocation of such amounts among the Districts, such amounts excluding any allocable share of costs to District No. 2; and

WHEREAS, the resulting allocations of the Combined Prior Costs to each District from such analysis are attached as **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Allocable Amount**”); and

WHEREAS, District Nos. 3-6 each desire to contribute funds to reimburse District No. 1 for their portion of the Allocable Amount of the BL Prior Costs and the IT Prior Costs, in order to permit District No. 1 to meet its obligations to reimburse Brighton Lakes and Indigo Trails for such costs; and

WHEREAS, in the absence of available funds, District Nos. 3-6 each intend to repay their respective Allocable Amount from bond proceeds, to the extent legally available, or from any other lawful financing mechanism including pledged revenues from an ad valorem tax mill levy or any other legally available revenues; and

WHEREAS, District Nos. 3-6 do not have other financial resources to provide funding for payment of the BL Prior Costs and the IT Prior Costs; and

WHEREAS, in order to provide a mechanism to secure the payment of their respective Allocable Amount, District Nos. 3-6 desire to issue to District No. 1, as hereinafter provided, one or more reimbursement notes, bonds, bond anticipation notes, or capital pledge agreements, (“**Reimbursement Obligations**”) in an aggregate principal amount sufficient to repay their Allocable Amount, subject to the terms and conditions set forth therein; and

WHEREAS, it is anticipated that at the time District Nos. 3-6 issue a Reimbursement Obligation for their respective Allocable Amount, District No. 1 and the issuing District will enter into a separate agreement to set forth the terms, revenue streams used and priority of payment; and

WHEREAS, in accordance with the Service Plan, the Districts entered into the District Coordinating Services Agreement dated June 19, 2018 (the “**Coordinating Services IGA**”), which sets forth each District respective roles and responsibilities to the provision of administrative services, and ownership, operation and maintenance of the Public Improvements from the date of that Agreement and into the future in an effort to operate in the most cost effective manner and efficient way as possible; and

WHEREAS, the obligations of the Districts under the Coordinating Services IGA are separate from the obligations of this Agreement, and the obligations of this Agreement are in addition thereto, with any priority relative to the payment of amounts under the Coordinating Services IGA and this Agreement to be determined at the time District Nos. 3-6 enter into a separate agreement with District No. 1 for the payment of amounts due hereunder (which may consist of one or more Reimbursement Obligations); and

WHEREAS, District No. 1 and District No. 3 entered into the Capital Improvements Pledge Agreement on June 15, 2020 , as amended by that certain First Amendment to Capital Improvements Pledge Agreement dated June 8, 2021 (the “**Capital Pledge Agreement**”), pursuant to which District No. 3 pledged its Capital Improvements Levy, as defined therein, to District No. 1 for the purpose of funding its share of certain capital improvements, such pledge being subordinate to any obligation of District No. 3 to pay amounts due hereunder, including any Reimbursement Obligation issued under this Agreement; and

WHEREAS, pursuant to Article XIV, Section 18 of the Colorado Constitution and Section 29- 1-203, C.R.S., the Districts are authorized to cooperate and contract with each other to provide functions, services, and facilities of the Districts, including the sharing of costs; and

WHEREAS, the Districts find that entering into this Agreement is in the best interests of the Districts and its future residents and taxpayers.

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Districts agree as follows:

COVENANTS AND AGREEMENTS

1. Incorporation of Recitals. The recitals set forth above are hereby incorporated into this Agreement as an integral part hereof.

2. Inactive Districts. District Nos. 5 and 6 are not currently authorized to enter into or approve this Agreement because they are inactive under the Special District Act. Notwithstanding, it is the intent of the Districts that District Nos. 5 and 6 be bound by the terms contained herein upon return to active status, without affecting the enforceability of this Agreement against the other Districts. Accordingly, at such time as District Nos. 5 and 6 approve this Agreement, an addendum shall be issued for signature by District Nos. 5 and 6. References to “the Districts” in this Agreement regarding various terms and conditions, shall, as to District Nos. 5 and 6, be subject to the return to active status of each such District, and approval of this Agreement thereby.

3. Allocable Amount. The Districts each agree that the Allocable Amount identified for each District represents a fair and equitable allocation of the Combined Prior Costs, based on the work performed, the time of performance, and the contribution of such work to the continued functioning and good standing of the Districts under their respective Service Plans, the Special District Act, and other applicable law. The Districts agree that District No. 2 is not a party to this Agreement and that no cost allocable to District No. 2 are included in the Allocable Amount. The methodology by which the Combined Prior Costs were distributed among the Districts is also set forth in Exhibit A. Such methodology and the resulting distribution of costs has been reviewed by the Districts’ accountant for use in this manner.

4. Reimbursement.

(a) Generally. The Districts acknowledge that, as of the date hereof, the BL Prior Costs and the IT Prior Costs continue to accrue simple interest at the rate of 6% per annum until paid in full by District No. 1 or discharged. In consideration of the obligation of District No. 1 to reimburse Brighton Lakes and Indigo Trails for the BL Prior Costs and the IT Prior Costs, District Nos. 3-6 each agree to pay District No. 1 their respective Allocable Amount, plus simple interest thereon at the rate of 6% per annum, until paid. Until converted to a Reimbursement Obligation as set forth below, such commitment shall be subject to annual appropriation and shall not constitute an indebtedness or multiple fiscal year financial obligation under any statutory or Constitutional provision.

(b) Terms of Payment; Source of Revenues. District Nos. 3-6 intend to pay the Prior District Costs from bond proceeds to the extent legally available, or from any other lawful financing mechanism including pledged revenues from an ad valorem tax mill levy or any other legally available revenues, and in the interim from one or more Reimbursement Obligations as set forth in Paragraph 4(d) hereof.

(c) Issuance of New Debt. District Nos. 3-6 agree that when, in the discretion of their respective boards of directors, it becomes appropriate to issue general obligation bonds for the financing of the Districts' obligations, and except as may otherwise be agreed to by District No. 1, the proceeds from any such bonds shall be applied first to the payment of any outstanding Reimbursement Obligation, then to the balance of their respective Allocable Amount, if any, until such amount is paid in full. Notwithstanding the foregoing, District No. 1 and District No. 3 agree and acknowledge that the obligations hereof with respect to District No. 3 shall be senior to the obligations of the District No. 3 under the Capital Pledge Agreement, unless separately agreed by District No. 1.

(d) Reimbursement Obligations

i. Issuance of Reimbursement Obligations. District Nos. 3-6 hereby agree to issue to or at the direction of District No. 1, one or more Reimbursement Obligations constituting an indebtedness or multiple fiscal year financial obligation to provide for long-term reimbursement for each respective District's Allocable Amount. Such Reimbursement Obligations shall be payable from legally available sources identified in the Reimbursement Obligations, which shall include, but not be limited to (except as otherwise agreed to by District No. 1), ad valorem property tax revenues of each District, and shall be secured by each District's pledge to apply such revenues towards repayment of the District's Allocable Amount as required hereunder. Simple interest shall accrue on the principal amount thereof at the rate of 6% per annum, until paid in full. The term for repayment of any Reimbursement Obligation issued under this Agreement shall be the maximum term authorized by the issuing District's Service Plan and otherwise subject to the issuing District's electoral authority.

The issuance of any Reimbursement Obligation shall be subject to the availability of an exemption from the registration requirements of § 11-59-106, C.R.S., and shall be subject to such prior filings with the Colorado State Securities Commissioner as may be necessary to claim

such exemption, in accordance with § 11-59-110, C.R.S., and any regulations promulgated thereunder.

5. **No Debt/Annual Appropriation.** It is hereby agreed and acknowledged that the financial obligations of this Agreement, until such time as converted to a Reimbursement Obligation as hereinbefore provided, shall not constitute a debt or indebtedness of any of the Districts within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple fiscal year financial obligation, and the making of any reimbursement hereunder shall be at all times subject to annual appropriation by the applicable District in its discretion. Notwithstanding the foregoing, in the event a court of competent jurisdiction determines that any term of this Agreement constitutes a multi-fiscal year financial obligation or other obligation requiring voter authorization under Article X, Section 20 of the Colorado Constitution, District Nos. 3 and 4 hereby affirm that each such District has sufficient voter authorization for the obligations imposed on each such District under this Agreement. Additionally, to the extent TABOR so requires, any District's failure to appropriate funds in any given fiscal year will not be deemed or construed to constitute a default by the District under this Paragraph 5. Any District's failure to appropriate funds in any given fiscal year will not be deemed or construed to effect a discharge of the District's obligation to pay the Allocable Amount in any subsequent fiscal year, and interest will continue to accrue on the unpaid principal of such Allocable Amount as provided herein.

6. **Modification and Termination.** This Agreement may be modified, altered, amended or terminated only by written consent of the Districts.

7. **Entire Agreement.** This Agreement embodies the complete agreement between the Districts regarding the subject matter herein and supersedes all prior agreements and understandings, if any.

8. **No Third Party Beneficiaries.** The Districts do not intend to benefit any person not a party to this Agreement. No person or entity, other than the Districts, shall have any right, legal or equitable, to enforce any provision of this Agreement.

9. **Assignment.** Neither District shall assign the Agreement in whole or in part. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

10. **Severability.** If any provision of this Agreement is held invalid or unenforceable, no other provision shall be affected by such holding and all of the remaining provisions of this Agreement shall continue in full force and effect to the extent practicable.

11. **Waiver.** No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default herein be deemed a waiver of any subsequent default herein.

12. **Notices.** All notices, demands and communications (collectively, "Notices") under this Agreement shall be delivered or sent by: (a) first class, registered or certified mail, postage prepaid, return receipt requested, (b) nationally recognized overnight carrier, addressed to the address of the intended recipient set forth below or such other address as either party may designate

by notice pursuant to this Section 14, or (c) sent by confirmed facsimile transmission, PDF or email. Notices shall be deemed given either one business day after delivery to the overnight carrier, three (3) days after being mailed as provided in clause (a) above, or upon confirmed delivery as provided in clause (c) above.

District No. 1: The Lakes Metropolitan District No. 1
 c/o WHITE BEAR ANKELE TANAKA & WALDRON
 Attorneys at Law
 2154 East Commons Avenue, Suite 2000
 Centennial, Colorado 80122
 Attention: William P. Ankele, Jr. Esq.
 (303) 858-1800 (phone)
 (303) 858-1801 (fax)
 wpankele@wbapc.com

District Nos. 3-6: The Lakes Metropolitan District Nos. 3-6
 c/o WHITE BEAR ANKELE TANAKA & WALDRON
 Attorneys at Law
 2154 East Commons Avenue, Suite 2000
 Centennial, Colorado 80122
 Attention: William P. Ankele, Jr. Esq.
 (303) 858-1800 (phone)
 (303) 858-1801 (fax)
 wpankele@wbapc.com

13. Governing Law. This Agreement shall be governed and construed under the laws of the State of Colorado.

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

15. Effectiveness. District Nos. 1, 3 and 4 agree and acknowledge that this Agreement shall be effective among them without the execution hereof by District Nos. 5 and 6, which are presently inactive and unable to act. Furthermore, this Agreement shall be effective among District Nos. 1, 3 and 4 regardless of whether District No. 5 and/or 6 approve this Agreement, since the obligations of the Districts are equitably distributed and payment by any individual District shall not affect the payment obligation of any other District.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date and year first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

DISTRICT NO. 1:

THE LAKES METROPOLITAN DISTRICT NO. 1,
a quasi-municipal corporation and political
subdivision of the State of Colorado

Michael Richardson

Michael Richardson (Aug 16, 2021 14:39 MDT)

Officer of the District

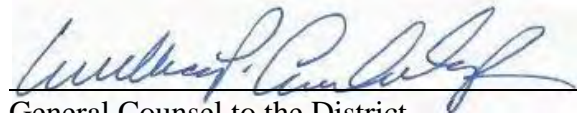
ATTEST:

Erika Volling

Erika Volling (Aug 16, 2021 14:36 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

DISTRICT NO. 3:

THE LAKES METROPOLITAN DISTRICT NO. 3,
a quasi-municipal corporation and political
subdivision
of the State of Colorado

Michael Richardson

Michael Richardson (Aug 16, 2021 14:39 MDT)

Officer of the District

ATTEST:

Erika Volling

Erika Volling (Aug 16, 2021 14:36 MDT)

[1 of 2 Signature Pages to Intergovernmental Agreement Regarding Cost Sharing and Reimbursement]

DISTRICT NO. 4:

THE LAKES METROPOLITAN DISTRICT NO. 4,
a quasi-municipal corporation and political
subdivision of the State of Colorado

Michael Richardson

Michael Richardson (Aug 16, 2021 14:39 MDT)

Officer of the District

ATTEST:

Erika Volling

Erika Volling (Aug 16, 2021 14:36 MDT)

DISTRICT NO. 5:

THE LAKES METROPOLITAN DISTRICT NO. 5,
a quasi-municipal corporation and political
subdivision of the State of Colorado.

Officer of the District

ATTEST:

DISTRICT NO. 6:

THE LAKES METROPOLITAN DISTRICT NO. 6,
a quasi-municipal corporation and political
subdivision of the State of Colorado.

Officer of the District

ATTEST:

[2 of 2 Signature Pages to Intergovernmental Agreement Regarding Cost Sharing and Reimbursement]

EXHIBIT A

Description of Prior District Costs (Organizational and Administrative Costs)

| Exhibit A | | | | | | | |
|---------------------------------------------------------|---------------|---------------|---------------|---------------|--------------|--------------|-----------------|
| Description of Prior District Advances | | | | | | | |
| Allocations to MDs of Developer Advances through 6/8/21 | | | | | | | |
| BRIGHTON LAKES | MD 1 | MD 2 | MD 3 | MD 4 | MD 5 | MD 6 | Total |
| CAPITAL | \$ 62,738.31 | \$ 62,738.31 | \$ 62,738.31 | \$ 62,738.31 | | | \$ 250,953.23 |
| ACCRUED INTEREST | \$ 57,380.50 | \$ 57,380.50 | \$ 57,380.50 | \$ 57,380.50 | | | \$ 229,521.99 |
| OPERATIONS | \$ 33,740.23 | \$ 33,740.23 | \$ 33,740.23 | \$ 33,740.23 | | | \$ 134,960.92 |
| ACCRUED INTEREST | \$ 35,673.38 | \$ 35,673.38 | \$ 35,673.38 | \$ 35,673.38 | | | \$ 142,693.52 |
| INDIGO TRAILS | | | | | | | |
| CAPITAL | \$ 41,592.20 | \$ 16,510.61 | \$ 29,601.56 | \$ 18,601.31 | \$ 11,416.66 | \$ 11,416.67 | \$ 129,139.00 |
| ACCRUED INTEREST | \$ 45,623.15 | \$ 18,110.76 | \$ 32,470.43 | \$ 20,404.07 | \$ 12,523.12 | \$ 12,523.13 | \$ 141,654.66 |
| OPERATIONS | \$ 77,916.24 | \$ 30,929.96 | \$ 55,453.72 | \$ 34,846.53 | \$ 21,387.26 | \$ 21,387.28 | \$ 241,921.00 |
| ACCRUED INTEREST | \$ 85,467.59 | \$ 33,927.57 | \$ 60,828.09 | \$ 38,223.73 | \$ 23,460.03 | \$ 23,460.06 | \$ 67,319.69 |
| <hr/> | | | | | | | |
| Total Capital | \$ 207,334.16 | \$ 154,740.17 | \$ 182,190.79 | \$ 159,124.18 | \$ 23,939.77 | \$ 23,939.80 | \$ 751,268.88 |
| Total Operations | \$ 232,797.45 | \$ 134,271.14 | \$ 185,695.42 | \$ 142,483.87 | \$ 44,847.29 | \$ 44,847.34 | \$ 586,895.13 |
| <hr/> | | | | | | | |
| | \$ 440,131.60 | \$ 289,011.31 | \$ 367,886.21 | \$ 301,608.06 | \$ 68,787.06 | \$ 68,787.14 | \$ 1,338,164.01 |

Invoices were examined to determine the portion of advances applicable to each district.

General expenditures were allocated equally to all districts active at the time.

Advances from Brighton Lakes were allocated equally to the original four districts.

Advances from Indigo Trails were allocated proportionally based on expenditures from the districts.

🕒 Agreement completed.

2021-09-17 - 6:16:15 PM GMT

EXHIBIT B

2024 Budget

 BUDGET DOCUMENT
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2024

| | ACTUAL 2022 | BUDGET 2023 | EST. ACTUAL 2023 | BUDGET 2024 |
|---------------------------------------------|------------------|------------------|---------------------|---------------------|
| BEGINNING FUND BALANCE | \$ 16,166 | \$ 21,434 | \$ 20,434 | \$ 2,134,486 |
| REVENUE: | | | | |
| PROPERTY TAXES | 2,211 | 3,344,097 | 3,344,097 | 6,243,001 |
| SPECIFIC OWNERSHIP TAXES | 150 | 200,646 | 215,262 | 374,580 |
| INTEREST | - | - | 74,700 | 85,000 |
| EXPENSE REIMBURSEMENT FROM LAKES DISTRICT 3 | 84,500 | 15,000 | 17,000 | 15,000 |
| EXPENSE REIMBURSEMENT FROM LAKES DISTRICT 4 | 977 | 5,000 | | 5,000 |
| DEVELOPER ADVANCE | 2,600 | - | | - |
| OTHER - REFUND | | - | | - |
| CAPITAL PLEDGE AGT 2021 TO MD1 FR MD3 | | 65,644 | 65,000 | 68,000 |
| TOTAL REVENUE | <u>90,438</u> | <u>3,630,387</u> | <u>3,651,059</u> | <u>6,790,581</u> |
| TOTAL FUNDS AVAILABLE | <u>106,604</u> | <u>3,651,821</u> | <u>3,671,493</u> | <u>8,925,067</u> |
| EXPENDITURES: | | | | |
| ACCOUNTING | 21,321 | 12,000 | 16,050 | 15,000 |
| AUDITING | | 15,000 | 6,800 | 15,000 |
| CONSULTANTS | | 2,000 | 2,000 | 2,000 |
| INSURANCE/SDA DUES | 10,150 | 9,500 | 11,788 | 15,000 |
| LEGAL | 44,954 | 62,000 | 83,000 | 62,000 |
| OFFICE SUPPLIES / WEBSITE/ MISC | 712 | 1,500 | 700 | 1,500 |
| MAINTENANCE OF DISTRICT COMMON AREA | | | | 65,000 |
| UTILITIES | | | | 25,000 |
| MANAGEMENT FEES | 9,000 | 9,000 | 9,000 | 45,000 |
| DEVELOPER REIMBURSEMENT FOR ADVANCES | | 190,000 | 1,251,108 | - |
| TREASURERS FEES | 33 | 50,161 | 50,161 | 93,645 |
| CONTINGENCY | | 10,000 | | 10,000 |
| CAPITAL OUTLAY: | | | | |
| PUBLIC IMPROVEMENTS - FARMLORE FILING 1 | | 3,184,000 | | 8,300,000 |
| TABOR RESERVE FUND | - | 106,400 | 106,400 | 259,500 |
| TOTAL EXPENDITURES | <u>86,170</u> | <u>3,651,561</u> | <u>1,537,007</u> | <u>8,908,645</u> |
| ENDING FUND BALANCE | <u>\$ 20,434</u> | <u>\$ 260</u> | <u>\$ 2,134,486</u> | <u>\$ 16,422</u> |
| ASSESSED VALUATION | | 55,734,950 | | 104,050,010 |
| MILL LEVY | | 60.000 | | 60.000 |
| | | <u>3,344,097</u> | | <u>6,243,001.00</u> |
| | | - | | - |
| ROUNDING PROPERTY TAXES | | <u>3,344,097</u> | | <u>6,243,001</u> |

LAKES METROPOLITAN DISTRICT NO. 1
2024 BUDGET MESSAGE

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Through its Service Plan, the District is authorized to finance certain drainage, sanitation, water, streets, traffic and safety controls, parks and recreation and mosquito control.

Revenue

The primary source of funds for 2024 are property tax revenues. The District anticipates imposing a mill levy in 2024 for operations and maintenance.

Expenditures

Administrative Expenses

Administrative expenses are primarily for legal services, management services, insurance and accounting costs.

Funds Available

The District's budget exists from property tax revenues and developer advances to cover the District's operations, including its administrative functions.

Accounting Method

The District prepares its budget on the modified accrual basis of accounting.

EXHIBIT C

2022 Audit Exemption Application

(2023 Audit Exemption Application is in Process)

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

| |
|---------------------------------------|
| The Lakes Metropolitan District No. 1 |
| c/o Vintage Homes and Land |
| 200 W. Hampden Ave., Suite 201 |
| Englewood, CO 80110 |
| Erika Volling |
| 303.346.6437 x300 |
| erika@vhlco.com |

For the Year Ended
12/31/22
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

| | |
|---------------------------|-------------------------------------|
| NAME: | Sheri M. Payne |
| TITLE | Certified Public Accountant |
| FIRM NAME (if applicable) | SMP LLC |
| ADDRESS | 28033 Fawn Drive, Conifer, CO 80433 |
| PHONE | 720.981.7176 |
| DATE PREPARED | 3.21.2023 |

PREPARER (SIGNATURE REQUIRED)

Sheri M Payne

| | | |
|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|
| Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types | GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small> | PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small> |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

| Line# | Description | Round to nearest Dollar | Please use this space to provide any necessary explanations |
|-------|----------------------------------------------------------|-------------------------|-------------------------------------------------------------|
| 2-1 | Taxes: Property (report mills levied in Question 10-6) | \$ 2,211 | |
| 2-2 | Specific ownership | \$ 150 | |
| 2-3 | Sales and use | \$ - | |
| 2-4 | Other (specify): | \$ - | |
| 2-5 | Licenses and permits | \$ - | |
| 2-6 | Intergovernmental: Grants | \$ - | |
| 2-7 | Conservation Trust Funds (Lottery) | \$ - | |
| 2-8 | Highway Users Tax Funds (HUTF) | \$ - | |
| 2-9 | Other (specify): | \$ - | |
| 2-10 | Charges for services | \$ - | |
| 2-11 | Fines and forfeits | \$ - | |
| 2-12 | Special assessments | \$ - | |
| 2-13 | Investment income | \$ - | |
| 2-14 | Charges for utility services | \$ - | |
| 2-15 | Debt proceeds (should agree with line 4-4, column 2) | \$ - | |
| 2-16 | Lease proceeds | \$ - | |
| 2-17 | Developer Advances received (should agree with line 4-4) | \$ 2,600 | |
| 2-18 | Proceeds from sale of capital assets | \$ - | |
| 2-19 | Fire and police pension | \$ - | |
| 2-20 | Donations | \$ - | |
| 2-21 | Other (specify): | \$ - | |
| 2-22 | Transfer from The Lakes Metropolitan District No. 3 | \$ 84,500 | |
| 2-23 | Transfer from The Lakes Metropolitan District No. 4 | \$ 977 | |
| 2-24 | (add lines 2-1 through 2-23) TOTAL REVENUE | \$ 90,438 | |

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

| Line# | Description | Round to nearest Dollar | Please use this space to provide any necessary explanations |
|-------|-------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------|
| 3-1 | Administrative | \$ 16,062 | |
| 3-2 | Salaries | \$ - | |
| 3-3 | Payroll taxes | \$ - | |
| 3-4 | Contract services | \$ - | |
| 3-5 | Employee benefits | \$ - | |
| 3-6 | Insurance | \$ 7,834 | |
| 3-7 | Accounting and legal fees | \$ 66,275 | |
| 3-8 | Repair and maintenance | \$ - | |
| 3-9 | Supplies | \$ - | |
| 3-10 | Utilities and telephone | \$ - | |
| 3-11 | Fire/Police | \$ - | |
| 3-12 | Streets and highways | \$ - | |
| 3-13 | Public health | \$ - | |
| 3-14 | Capital outlay | \$ - | |
| 3-15 | Utility operations | \$ - | |
| 3-16 | Culture and recreation | \$ - | |
| 3-17 | Debt service principal (should agree with Part 4) | \$ - | |
| 3-18 | Debt service interest | \$ - | |
| 3-19 | Repayment of Developer Advance Principal (should agree with line 4-4) | \$ - | |
| 3-20 | Repayment of Developer Advance Interest | \$ - | |
| 3-21 | Contribution to pension plan (should agree to line 7-2) | \$ - | |
| 3-22 | Contribution to Fire & Police Pension Assoc. (should agree to line 7-2) | \$ - | |
| 3-23 | Other (specify): | \$ - | |
| 3-24 | | \$ - | |
| 3-25 | | \$ - | |
| 3-26 | (add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES | \$ 90,171 | |

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

| | Yes | No | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------|-------------------|
| 4-1 Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | |
| 4-2 Is the debt repayment schedule attached? If no, MUST explain: NA | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | |
| 4-3 Is the entity current in its debt service payments? If no, MUST explain: NA | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| 4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers) | | | | |
| | Outstanding at end of prior year* | Issued during year | | |
| | Retired during year | Outstanding at year-end | | |
| General obligation bonds | \$ - | \$ - | \$ - | \$ - |
| Revenue bonds | \$ - | \$ - | \$ - | \$ - |
| Notes/Loans | \$ - | \$ - | \$ - | \$ - |
| Lease Liabilities | \$ - | \$ - | \$ - | \$ - |
| Developer Advances | \$ 714,548 | \$ 2,600 | \$ - | \$ 717,148 |
| Other (specify): | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 714,548 | \$ 2,600 | \$ - | \$ 717,148 |

*must tie to prior year ending balance

| | Yes | No |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| 4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Date the debt was authorized: | | |
| 4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4-8 Does the entity have any lease agreements? If yes: What is being leased? What is the original date of the lease? Number of years of lease? Is the lease subject to annual appropriation? What are the annual lease payments? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

| | Amount | Total |
|-----------------------------------------------------------------------------------|--------|--------------|
| 5-1 YEAR-END Total of ALL Checking and Savings Accounts | \$ 48 | |
| 5-2 Certificates of deposit | \$ - | |
| Total Cash Deposits | | \$ 48 |
| Investments (if investment is a mutual fund, please list underlying investments): | | |
| | \$ - | |
| | \$ - | |
| | \$ - | |
| | \$ - | |
| Total Investments | | \$ - |
| Total Cash and Investments | | \$ 48 |

| | Yes | No | N/A |
|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------|--------------------------|
| 5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? Yes No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain: Yes No

6-3 Complete the following capital & right-to-use assets table:

| | Balance - beginning of the year* | Additions (Must be included in Part 3) | Deletions | Year-End Balance |
|----------------------------------------------------------------------------------------|----------------------------------|----------------------------------------|-------------|------------------|
| Land | \$ - | \$ - | \$ - | \$ - |
| Buildings | \$ - | \$ - | \$ - | \$ - |
| Machinery and equipment | \$ - | \$ - | \$ - | \$ - |
| Furniture and fixtures | \$ - | \$ - | \$ - | \$ - |
| Infrastructure | \$ - | \$ - | \$ - | \$ - |
| Construction In Progress (CIP) | \$ - | \$ - | \$ - | \$ - |
| Leased Right-to-Use Assets | \$ - | \$ - | \$ - | \$ - |
| Other (explain): | \$ - | \$ - | \$ - | \$ - |
| Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance) | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ - | \$ - | \$ - | \$ - |

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 7-1 Does the entity have an "old hire" firefighters' pension plan? Yes No
- 7-2 Does the entity have a volunteer firefighters' pension plan? Yes No
- If yes: Who administers the plan?

Indicate the contributions from:

| | |
|----------------------------------|-------------|
| Tax (property, SO, sales, etc.): | \$ - |
| State contribution amount: | \$ - |
| Other (gifts, donations, etc.): | \$ - |
| TOTAL | \$ - |

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

| | |
|--|------|
| | \$ - |
|--|------|

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? Yes No N/A
-
- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: Yes No N/A
-

If yes: Please indicate the amount budgeted for each fund for the year reported:

| Governmental/Proprietary Fund Name | Total Appropriations By Fund |
|------------------------------------|------------------------------|
| General Fund | \$ 94,901 |
| Capital Fund | \$ 50,000 |
| Debt Service Fund | \$ - |
| | |

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

10-1 Is this application for a newly formed governmental entity?

10-1

If yes: Date of formation:

10-2 Has the entity changed its name in the past or current year?

If yes: Please list the NEW name & PRIOR name:

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

Assistance with financing and development of certain public improvements

10-4 Does the entity have an agreement with another government to provide services?

If yes: List the name of the other governmental entity and the services provided:

City of Brighton regarding capital improvements, operations and maintenance

10-5 Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:

10-6 Does the entity have a certified Mill Levy?

If yes: Please provide the following mills levied for the year reported (do not report \$ amounts):

| | |
|-----------------------|---------------|
| Bond Redemption mills | - |
| General/Other mills | 60,000 |
| Total mills | 60,000 |

| | |
|-----------------------|---------------|
| Bond Redemption mills | - |
| General/Other mills | 60,000 |
| Total mills | 60,000 |

Please use this space to provide any explanations or comments:

PART 11 - GOVERNING BODY APPROVAL

| Please answer the following question by marking in the appropriate box | | YES | NO |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------|
| 12-1 | If you plan to submit this form electronically, have you read the new Electronic Signature Policy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

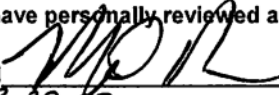
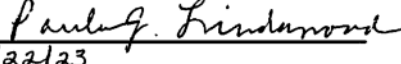
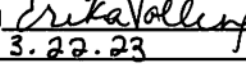
- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below.

A MAJORITY of the members of the governing body must complete and sign in the column below.

| | | |
|----------------|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Board Member 1 | Michael Richardson | I <u>Michael Richardson</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u></u> Date: <u>3.22.23</u> My term Expires: <u>May, 2025</u> |
| Board Member 2 | Florine Richardson | I <u>Florine Richardson</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May, 2025</u> |
| Board Member 3 | Paula J. Lindamood | I <u>Paula J. Lindamood</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u></u> Date: <u>3/22/23</u> My term Expires: <u>May, 2023</u> |
| Board Member 4 | Erika Volling | I <u>Erika Volling</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u></u> Date: <u>3.22.23</u> My term Expires: <u>May, 2025</u> |
| Board Member 5 | Amy Richardson | I <u>Amy Richardson</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May, 2023</u> |
| Board Member 6 | Print Board Member's Name | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____ |
| Board Member 7 | Print Board Member's Name | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____ |

Resolution/Ordinance for Exemption From Audit

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 2022 FOR THE LAKES METROPOLITAN DISTRICT NOS. 1 and 3, IN THE STATE OF COLORADO.

WHEREAS, the Boards of Directors of the Lakes Metropolitan District Nos. 1 and 3 wishes to claim exemption from the audit requirements of section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S. state that any local government where neither revenues nor expenditures exceed seven hundred fifty thousand dollars may, with the approval of the state auditor, be exempt from the provisions of Section 29-1-603, C.R.S.; and

WHEREAS, neither revenues nor expenditures for Lakes Metropolitan District Nos. 1 and 3 exceeded \$100,000 for fiscal year 2022; and

WHEREAS, applications for exemption from audit for Lakes Metropolitan District Nos. 1 and 3 have been prepared by Sheri M. Payne, CPA, an independent accountant with knowledge of governmental accounting; and

WHEREAS, said applications for exemption from audit have been completed in accordance with regulations issued by the state auditor.

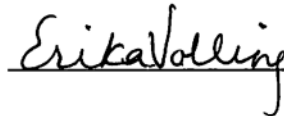
NOW THEREFORE, be it resolved/ordained by the Boards of Directors of the Lakes Metropolitan District Nos. 1 and 3 that the applications for exemption from audit for Lakes Metropolitan District Nos. 1 and 3 for the fiscal year ended December 31, 2022, have been reviewed and are hereby approved by a majority of the Boards of Directors of the Lakes Metropolitan District Nos. 1 and 3; that those members have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of the applications for exemption from audit of the Lakes Metropolitan District Nos. 1 and 3 for the fiscal year ended December 31, 2022.


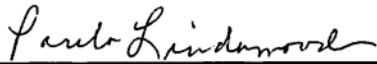
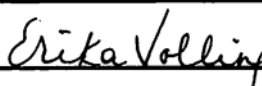
RESOLUTION APPROVED AND ADOPTED THIS 22nd day of March, 2023.

Lakes Metropolitan District Nos. 1 and 3


Michael Richardson, President

ATTEST:



| Name of Member | Term Expires | Signature |
|-----------------------|--------------|--------------------------------------------------------------------------------------|
| Michael A. Richardson | 5/25 |  |
| Florine Richardson | 5/25 | _____ |
| Paula Lindamood | 5/23 |  |
| Erika Volling | 5/25 |  |
| Amy Richardson | 5/23 | _____ |