

**THE CANYONS METROPOLITAN DISTRICT
NOS. 1-6 & 8-11**

2021 CONSOLIDATED ANNUAL REPORT

THE CANYONS METROPOLITAN DISTRICT NOS. 1-6 & 8-11

**2021 CONSOLIDATED ANNUAL REPORT
TO
THE CITY OF CASTLE PINES**

Pursuant to the Amended and Restated Service Plan for The Canyons Metropolitan District No. 1 (as amended), and the Amended and Restated Service Plan for The Canyons Metropolitan District Nos. 2-4 (as amended) and Consolidated Service Plan for The Canyons Metropolitan District Nos. 5-11 (as amended) (The Canyons Metropolitan District Nos. 1-6 & 8-11 are collectively referred to as the “**Districts**”), the Districts are required to provide an annual report to the City of Castle Pines (the “**City**”). The annual report is to include information as to any of the following:

For the year ending December 31, 2021, the Districts make the following report:

1. Boundary changes made or proposed to the Districts’ boundaries as of December 31 of the prior year:

The recorded Order for Exclusion and Legal Description of the real property excluded from The Canyons Metropolitan District No. 3 (“**District No. 3**”) is attached hereto as **Exhibit A**, and the recorded Order for Inclusion and Legal Description of the real property included into District No. 3 is attached hereto as **Exhibit B**.

The recorded Order for Exclusion and Legal Description of the real property excluded from The Canyons Metropolitan District No. 2 is attached hereto as **Exhibit C**.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed, as of December 31 of the prior year:

The City Operations Mill Levy Intergovernmental Agreement, dated November 10, 2021, between The Canyons Metropolitan District No. 4 and the City is attached here to as **Exhibit D**.

The Agreement Regarding Remittance of Public Improvement Fees Relating to Construction Activities, dated April 26, 2021, between The Canyons Metropolitan District No. 1, North Canyons, LLLP, and the City is attached here to as **Exhibit E**.

3. Copies of the Districts’ rules and regulations, if any, as of December 31 of the prior year:

As of December 31, 2021, the Districts have not yet adopted rules and regulations.

4. A summary of any litigation which involves the Districts’ Public Improvements as of December 31 of the prior year:

To our actual knowledge, based on review of the court records in Douglas County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts' Public Improvements as of December 31, 2021.

5. Status of the Districts' construction of the Public Improvements as of December 31 of the prior year:

As of December 31, 2021, The Canyons Metropolitan District Nos. 1, 2, 3, 4, and 8-11 have not yet constructed any Public Improvements.

The Public Improvements serving and benefitting property within The Canyons Metropolitan District No. 5 ("**District No. 5**") and The Canyons Metropolitan District No. 6 ("**District No. 6**") are being constructed by The Canyons Metropolitan District No. 7 ("**District No. 7**") and Shea Canyons, LLC ("**Shea**").

6. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City as of December 31 of the prior year:

As of December 31, 2021, The Canyons Metropolitan District Nos. 1, 2, 3, 4, and 8-11 have not yet dedicated any Public Improvements to the City.

The Public Improvements serving and benefitting property within District No. 5 and District No. 6 are being constructed by District No. 7 and Shea. Some of the Public Improvements with District Nos. 5-7 have been dedicated to and accepted by the City as of December 31, 2021.

7. The assessed value of the Districts for the report year:

The Districts received certifications of valuation from the Douglas County Assessor that report a taxable assessed valuation for 2021 as follows:

District No. 1	\$	280.00	District No. 6	\$	30,777,160.00
District No. 2	\$	381,860.00	District No. 8	\$	320.00
District No. 3	\$	1,230.00	District No. 9	\$	320.00
District No. 4	\$	25,020.00	District No. 10	\$	320.00
District No. 5	\$	30,777,170.00	District No. 11	\$	320.00

8. Current year budget including a description of the Public Improvements to be constructed in such year:

The 2022 budgets for the Districts are attached hereto as **Exhibit F**. District No. 3 anticipates constructing the following Public Improvements in 2022 including, but not limited to the following: roadways and utilities; grading, erosion and sediment control; and water main infrastructure.

9. Audit of the Districts' financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemptions, if applicable:

The Canyons Metropolitan District Nos. 8-11 were inactive in 2021 and did not file audits or audit exemptions in 2021. The 2021 Applications for Audit Exemption for The Canyons Metropolitan District Nos. 1, 2 & 4 are attached hereto as **Exhibit G**. The 2021 Audits for The Canyons Metropolitan District Nos. 3, 5 & 6 are not yet completed and will be provided as a supplement to this report upon completion.

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

There are no uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.

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

None.

EXHIBIT A
Order for Exclusion for District No. 3

DISTRICT COURT, DOUGLAS COUNTY, COLORADO	
Court Address: 4000 JUSTICE WAY, CASTLE ROCK, CO, 80109-7546	
DATE FILED: October 29, 2021 10:13 AM	
In the Matter of: CANYONS METROPOLITAN DISTRICT NO 3	
△ COURT USE ONLY △	
Case Number: 2001CV758	
Division: 6	Courtroom:
Order for Exclusion of Property	

The motion/proposed order attached hereto: GRANTED.

Issue Date: 10/29/2021



DAVID JOHN STEVENS
District Court Judge

COMBINED COURT
STATE OF COLORADO } ss
Douglas County
CERTIFIED to be a full, true and cor-
rect copy of the original in my custody.

NOV 11 2021



ANDREA K. TRUETT
Clerk of the Combined Court
By _____ Deputy

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DISTRICT COURT, DOUGLAS COUNTY, COLORADO Court Address: 4000 Justice Way Castle Rock, CO 80109 Telephone: (303) 663-7200	
Petitioner: THE CANYONS METROPOLITAN DISTRICT NO. 3	▲ COURT USE ONLY ▲
By the Court:	Case Number: 2001CV758 Division: 6 Courtroom:
ORDER FOR EXCLUSION (Parcel 3, The Canyons Superblock Plat No. 2)	

THIS MATTER comes before the Court pursuant to § 32-1-501(1), C.R.S., on Motion for an Order for Exclusion of property from the boundaries of The Canyons Metropolitan District No. 3, City of Castle Pines, Douglas County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. That the real property set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property"), shall be and is hereby excluded from the boundaries of the District.

2. Pursuant to § 32-1-503(1), C.R.S., the Property shall remain obligated for its proportionate share of the principal and interest on the outstanding bonded indebtedness of the District existing immediately prior to the effective date of this Order. As of the date of this Order, there is no outstanding bonded indebtedness of the District for which the Property will be liable.

3. In accordance with § 32-1-503(1), C.R.S., the Property shall not become obligated for any property tax levied by the District for operating costs of the District nor for any bonded indebtedness issued after the date of this Order.

4. The District shall file this order in accordance with the provisions of § 32-1-105, C.R.S.

DONE AND EFFECTIVE THIS ____ day of _____, 2021.

BY THE COURT:

District Court Judge

APPROVED FOR THE COURT BY THE CLERK OF COURT

EXHIBIT A
(Legal Description of Exclusion Property)

Parcel 3 of The Canyons Superblock Plat 2 recorded at Reception #2018040799 on July 6, 2018 in Douglas County, State of Colorado.

EXHIBIT B
Order for Inclusion for District No. 3

DISTRICT COURT, DOUGLAS COUNTY, COLORADO Court Address: 4000 JUSTICE WAY, CASTLE ROCK, CO, 80109-7546	DATE FILED: October 29, 2021 10:14 AM
In the Matter of: CANYONS METROPOLITAN DISTRICT NO 3	△ COURT USE ONLY △ Case Number: 2001CV758 Division: 6 Courtroom:
Order for Inclusion of Property	

The motion/proposed order attached hereto: GRANTED.

Issue Date: 10/29/2021



DAVID JOHN STEVENS
District Court Judge

COMBINED COURT
STATE OF COLORADO } as
Douglas County }
CERTIFIED to be a full, true and cor-
rect copy of the original in my custody.

NOV 11 2021



ANDREA K. TRUETT
Clerk of the Combined Court
By  Deputy

1-4 pages

DISTRICT COURT, DOUGLAS COUNTY, COLORADO Court Address: 4000 Justice Way Castle Rock, CO 80109 Telephone: (303) 663-7200		
Petitioner: THE CANYONS METROPOLITAN DISTRICT NO. 3		
By the Court:		▲ COURT USE ONLY ▲ Case Number: 2001CV758 Division: 6 Courtroom: ____
ORDER FOR INCLUSION (Parcel 1, The Canyons Superblock Plat No. 2)		

THIS MATTER comes before the Court pursuant to § 32-1-401(1), C.R.S., on Motion for an Order for Inclusion of property into the boundaries of The Canyons Metropolitan District No. 3, City of Castle Pines, Douglas County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. That the real property set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property"), shall be and is hereby included within the boundaries of the District.

2. That in accordance with § 32-1-402(1)(b), C.R.S., after the date of this Order, the Property shall be subject to all of the taxes and charges imposed by the District and shall be liable for its proportionate share of existing bonded indebtedness of the District, except as owners may be exempt by law.

3. In accordance with § 32-1-402(1)(c), C.R.S., the Property shall be liable for its proportionate share of annual operation and maintenance charges and the cost of facilities of the District and taxes, rates, fees, tolls or charges shall be certified and levied or assessed therefor.

4. In accordance with § 32-1-402(1)(f), C.R.S., the District's facility and service standards which are applied within the included area shall be compatible with the facility and service standards of adjacent municipalities.

5. The District shall file this order in accordance with the provisions of § 32-1-105, C.R.S.

DONE AND EFFECTIVE THIS _____ DAY OF _____, 2021.

BY THE COURT:

District Court Judge

EXHIBIT A
(Legal Description of Inclusion Property)

Parcel 1, as described in The Canyons Superblock Plat No. 2, recorded on July 6, 2018 at Reception Number 2018040799 in Douglas County, Colorado.

EXHIBIT C
Order for Exclusion of Property District No. 2

DATE FILED: November 4, 2021 12:55 PM	
DISTRICT COURT, DOUGLAS COUNTY, COLORADO Court Address: 4000 Justice Way Castle Rock, CO 80109 Telephone: (303) 663-7200	▲ COURT USE ONLY ▲
Petitioner: THE CANYONS METROPOLITAN DISTRICT NO. 2	
By the Court:	Case Number: 2001CV757 Division: 5 Courtroom:
ORDER FOR EXCLUSION (Parcel 1, The Canyons Superblock Plat No. 2)	

THIS MATTER comes before the Court pursuant to § 32-1-501(1), C.R.S., on Motion for an Order for Exclusion of property from the boundaries of The Canyons Metropolitan District No. 2, City of Castle Pines, Douglas County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. That the real property: Parcel 1, as described in The Canyons Superblock Plat 2, recorded at Reception #2018040799 on July 6, 2018 in Douglas County, State of Colorado (the "Property"), shall be and is hereby excluded from the boundaries of the District.

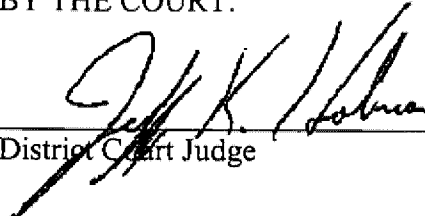
2. Pursuant to § 32-1-503(1), C.R.S., the Property shall remain obligated for its proportionate share of the principal and interest on the outstanding bonded indebtedness of the District existing immediately prior to the effective date of this Order. As of the date of this Order, there is no outstanding bonded indebtedness of the District for which the Property will be liable.

3. In accordance with § 32-1-503(1), C.R.S., the Property shall not become obligated for any property tax levied by the District for operating costs of the District nor for any bonded indebtedness issued after the date of this Order.

4. The District shall file this order in accordance with the provisions of § 32-1-105, C.R.S.

DONE AND EFFECTIVE THIS 4th day of November, 2021.

BY THE COURT:



District Court Judge

COMBINED COURT
STATE OF COLORADO } ss
Douglas County
CERTIFIED to be a full, true and correct copy of the original in my custody.

DEC 08 2021



ANDREA K. TRUETT
Clerk of the Combined Court
By _____ Deputy

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EXHIBIT D
City Operations Mill Levy Intergovernmental Agreement

RESOLUTION NO. 21-52

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CASTLE PINES,
COLORADO, APPROVING A CITY OPERATIONS MILL LEVY PLEDGE
AGREEMENT BETWEEN THE CITY OF CASTLE PINES, COLORADO AND
THE CANYONS METROPOLITAN DISTRICT NO. 4**

WHEREAS, the City Council of the City of Castle Pines (“City”) approved the Amended and Restated Service Plan for The Canyons Metropolitan District Nos. 2-4 and Consolidated Service Plan for The Canyons Metropolitan District Nos. 5-11 (the “Amended and Restated Service Plan”) on October 22, 2009, and amended by that First Amendment to the Amended and Restated Service Plan approved by the City Council on December 8, 2015, (the “First Amendment”), that Second Amendment to the Amended and Restated Service Plan approved by the City Council on December 10, 2019 (the “Second Amendment”) and that Third Amendment to the Amended and Restated Service Plan for The Canyons Metropolitan District No. 4 (the “District”) approved by the City Council on November 9, 2021, (the “Third Amendment” and, together with the Amended and Restated Service Plan, the First Amendment and the Second Amendment, the “Service Plan”); and

WHEREAS, at the time the City approved the First Amendment, it was anticipated that the metropolitan districts serving “The Canyons” project, including the District, would own, operate and maintain: park and recreation improvements (including but not limited to, recreation facilities, parks and trails), tract landscaping improvements, streetscape landscaping, drainage improvements (including detention and retention ponds, and trickle channels), and other related public improvements; and

WHEREAS, in an effort to reduce duplication, overlapping, and fragmentation of the functions and facilities of special districts within the City, increase efficiency of operation and reduce costs, the City intends to own, operate and maintain the public improvements within the District or benefitting those residing within the District’s service area boundary, which public improvements include, but are not limited to, trails, parks, open space, landscaping, drainage and recreation improvements (the “City Maintained Improvements”); and

WHEREAS, the Second Amendment provides that the District shall impose an ad valorem mill levy and remit the revenues from such levy to the City to be used by the City for the City’s upkeep, operation, maintenance, repair and replacement of City Maintained Improvements (the “City Operations Mill Levy”); and

WHEREAS, North Canyons, LLLP, the City, and the District entered into that certain Second Amendment to Annexation and Development Agreement on January 13, 2020, which was approved by the City Council by adoption of Ordinance No. 19-16 on December 10, 2019, and recorded in the office of the Douglas County, Colorado, Clerk and Recorder on January 17, 2020, at Reference No. 2020004049 (the “Second ADA Amendment”); and

WHEREAS, paragraph (4) of the Second ADA Amendment requires the District to enter into a mill levy pledge agreement with the City whereby the District will impose the City Operations Mill Levy upon taxable real and personal property located within the District’s boundaries, commencing in tax certification year 2021, to be paid to the City annually in order to offset the costs of operations and maintenance of the City Maintained Improvements; and

WHEREAS, the District has agreed to impose the City Operations Mill Levy and remit the revenues resulting therefrom to the City to offset the City’s costs of the upkeep, operation, maintenance, repair and replacement of, the provision of services related to, the City Maintained Improvements in accordance with the provisions of the City Operations Mill Levy Pledge Agreement, attached as **Exhibit 1** to this Resolution; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(a), provides that the Constitution shall not be construed to prohibit the state or any of its political subdivisions in cooperating and contracting with one another; and

WHEREAS, § 29-1-201, C.R.S., as amended, 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, § 29-1-203, C.R.S., as amended, authorizes the Parties to cooperate and contract with one another regarding functions, services and facilities each is authorized to provide; and

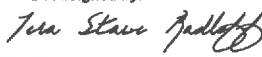
WHEREAS, the City and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into the City Operations Mill Levy Pledge Agreement attached as **Exhibit 1** to this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CASTLE PINES, COLORADO, THAT:

Section 1. The City Council hereby: (a) approves the City Operations Mill Levy Pledge Agreement between the Canyons Metropolitan District No. 4 and the City of Castle Pines (“2021 IGA”) as fully set forth in **Exhibit 1**; (b) authorizes the City Attorney, in consultation with the City Manager, to make such changes as may be necessary to correct any non-material errors that do not increase the obligations of the City; and (c) authorizes the Mayor to execute the 2021 IGA in final form.

Section 2. Effective Date. This Resolution shall take effect upon its approval by the City Council.

INTRODUCED, READ, AND ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF CASTLE PINES BY A VOTE OF 7 IN FAVOR AND 0 AGAINST THIS 9th DAY OF NOVEMBER, 2021.

DocuSigned by:

6E0C8EB279DC478...
Tera Stave Radloff, Mayor

ATTEST:

APPROVED AS TO FORM:

DocuSigned by:
Tobi Duffey
AD03A3802032400

Tobi Duffey, CMC, City Clerk

DocuSigned by:
Linda C. Michow
5241DE89B8FF444

Linda C. Michow, City Attorney



EXHIBIT 1

[see attached agreement]

**CITY OPERATIONS MILL LEVY PLEDGE AGREEMENT
BETWEEN THE CITY OF CASTLE PINES, COLORADO AND
THE CANYONS METROPOLITAN DISTRICT NO. 4**

THIS CITY OPERATIONS MILL LEVY PLEDGE AGREEMENT, including the exhibits attached and incorporated by reference (the “**Agreement**”) is made and entered into as of this ___ day of _____, 2021, by and between the **CITY OF CASTLE PINES**, a home rule municipal corporation of the State of Colorado (the “**City**”), and **THE CANYONS METROPOLITAN DISTRICT NO. 4**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”). The City and the District may each be referred to in this Agreement as a “**Party**” and collectively as the “**Parties**.”

RECITALS

WHEREAS, the Amended and Restated Service Plan for The Canyons Metropolitan District Nos. 2-4 and Consolidated Service Plan for The Canyons Metropolitan District Nos. 5-11 (the “**Amended and Restated Service Plan**”) was approved by the City Council for the City (the “**City Council**”) on October 22, 2009, and amended by that First Amendment to the Amended and Restated Service Plan approved by the City Council on December 8, 2015, (the “**First Amendment**”), that Second Amendment to the Amended and Restated Service Plan approved by the City Council on December 10, 2019 (the “**Second Amendment**”) and that Third Amendment to the Amended and Restated Service Plan approved by the City Council on November 9, 2021 (the “**Third Amendment**” and, together with the Amended and Restated Service Plan, the First Amendment and the Second Amendment, the “**Service Plan**”); and

WHEREAS, at the time the City approved the First Amendment, it was anticipated that the metropolitan districts serving “The Canyons” project, including the District, would own, operate and maintain: park and recreation improvements (including but not limited to, recreation facilities, parks and trails), tract landscaping improvements, streetscape landscaping, drainage improvements (including detention and retention ponds, and trickle channels), and other related public improvements; and

WHEREAS, in an effort to reduce duplication, overlapping, and fragmentation of the functions and facilities of special districts within the City, increase efficiency of operation and reduce costs, the City now desires to own, operate and maintain the public improvements within the District or benefitting those residing within the District’s service area boundary, which public improvements include, but are not limited to, trails, parks, open space, landscaping, drainage and recreation improvements as determined by agreement of the Parties (as further described in Section 2.01, the “**City Maintained Improvements**”); and

WHEREAS, the Second Amendment provides that the District shall impose an ad valorem mill levy and remit the revenues from such levy to the City to be used by the City for the City’s upkeep, operation, maintenance, repair and replacement of City Maintained Improvements, as set forth in one or more intergovernmental agreement(s) entered into between the City and one or

more of the Districts (as the term “Districts” is defined in the Second Amendment) (as further described in Section 3.02(a), the “**City Operations Mill Levy**”); and

WHEREAS, North Canyons, LLLP, the City, and the District entered into that certain Second Amendment to Annexation and Development Agreement on January 13, 2020, which was approved by the City Council by adoption of Ordinance No. 19-16 on December 10, 2019, and recorded in the office of the Douglas County, Colorado, Clerk and Recorder on January 17, 2020, at Reference No. 2020004049 (the “**Second ADA Amendment**”); and

WHEREAS, paragraph (4) of the Second ADA Amendment requires that within 180 days of the effective date of such amendment the District enter into a mill levy pledge agreement with the City whereby the District will impose the City Operations Mill Levy upon taxable real and personal property located within the District’s boundaries, commencing in tax certification year 2021, to be paid to the City annually in order to offset the costs of operations and maintenance of the City Maintained Improvements; and

WHEREAS, in furtherance of the provisions of the Service Plan and the Second ADA Amendment, upon the occurrence of the Effective Date (as defined herein, which is to occur prior to the District’s first issuance of Debt (as defined in the Service Plan)), the District has agreed to impose the City Operations Mill Levy and remit the revenues resulting therefrom to the City to offset the City’s costs of the upkeep, operation, maintenance, repair and replacement of, the provision of services related to, City Maintained Improvements, all in accordance with the provisions of this Agreement; and

WHEREAS, the District’s electoral authorization described herein permits the execution and performance of this Agreement by the District; and

WHEREAS, the obligation of the District to impose the City Operations Mill Levy and to remit the revenues resulting therefrom to the City constitutes a multiple fiscal year financial obligation of the District authorized at the District election held on November 4, 2014 (the “**Election**”), in accordance with law and pursuant to due notice, at which a majority of those qualified to vote and voting at such Election voted in favor of, inter alia: (a) Ballot Issue 5D authorizing the District to impose ad valorem property taxes up to \$226,000,000 annually for the payment of amounts due under one or more intergovernmental agreements or contracts, and (b) Ballot Issue 5U authorizing the issuance by the District of indebtedness consisting of intergovernmental agreements and other contracts in the principal amount of up to \$226,000,000, with a maximum repayment cost of \$1,853,200,000, and also authorizing the imposition of ad valorem property taxes for the purpose of paying such indebtedness in an annual amount of up to \$1,853,200,000 (collectively, Ballot Issue 5D and Ballot Issue 5U are referred to herein as the “**Authorizing Ballot Issues**”); and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(a), provides that the Constitution shall not be construed to prohibit the state or any of its political subdivisions in cooperating and contracting with one another; and

WHEREAS, § 29-1-201, C.R.S., as amended, 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, § 29-1-203, C.R.S., as amended, authorizes the Parties to cooperate and contract with one another regarding functions, services and facilities each is authorized to provide; and

WHEREAS, the Parties have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Agreement; and

WHEREAS, the Parties desire to enter into this Agreement in order to set forth their mutual understanding and responsibilities regarding the City Operations Mill Levy (effective only upon the Effective Date, as defined herein, which is to occur prior to the District's first issuance of Debt (as defined in the Service Plan)) and to address in Section 7.04 of this Agreement any conflict between the provisions hereof and those in paragraph (4) of the Second ADA Amendment; and

WHEREAS, the District represents that it has not previously issued Debt (as defined in the Service Plan) and, in accordance with the Third Amendment, this Agreement does not constitute Debt (as defined in the Service Plan).

NOW, THEREFORE, 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 covenant and agree as follows:

AGREEMENT

ARTICLE I DISTRICT OBLIGATIONS AND COVENANTS

Section 1.01 Notice of Effective Date; Opinion of District's Bond Counsel.

(a) The District shall determine, in its sole and absolute discretion (but subject to paragraph (b) hereof), the Effective Date (as defined below) and shall submit to the City a notice in the form attached as **Exhibit C** hereto (an "**Effective Date Notice**") stating the Effective Date, accompanied by an opinion of nationally recognized bond counsel addressed to the City substantially in the form attached hereto as **Exhibit D** (the "**Bond Counsel Opinion**"), dated the Effective Date. "**Effective Date**" means the date indicated in a fully-executed Effective Date Notice, which is accompanied by a Bond Counsel Opinion dated as of the Effective Date.

(b) In accordance with the Service Plan, the District covenants and agrees that the Effective Date shall occur prior to the District's first issuance of Debt (as defined in the Service Plan), if any. The Parties agree that there otherwise is no obligation for the District to cause the Effective Date to occur on any particular date, or at all (in the event that the District never issues Debt).

(c) If the District intends to issue Debt and is unable to obtain the required bond counsel opinion for the Effective Date to occur, the District shall deliver to the City the bond counsel's written explanation detailing why bond counsel is unable or unwilling to render the required opinion. The District shall promptly take any action required of it to resolve the concerns detailed in bond counsel's written explanation, if possible. If required, the Parties shall negotiate with the utmost diligence and good faith to amend this Agreement to address bond counsel's concerns; any such amendments shall be drafted as narrowly as possible to obtain the required bond counsel opinion while still accomplishing the Parties' intent. The District hereby represents that, based upon the advice of its bond counsel, it is reasonably expected that the opinion described in **Exhibit D** will be delivered on the date selected by the District (and reflected in an Effective Date Notice) barring only a change in law impacting the District's ability to undertake the obligations described herein.

Section 1.02 Electoral Authorization; Payment Obligation; Condition Precedent; City Operations Mill Levy.

(a) Electoral Authorization.

(i) The District represents and warrants that prior voted authorization for issuance of debt, annual tax increases, multiple-fiscal year contractual obligations, and the levy of ad valorem taxes was approved at the Election as required by Article X, Section 20 of the Colorado Constitution, and that the performance by the District of the terms of this Agreement (upon occurrence of the Effective Date) requires no further electoral authorization. In the event a court of competent jurisdiction determines that this Agreement constitutes a violation of the Colorado Constitution or any State law in any manner, the District agrees it shall take such action as is necessary to obtain additional electoral authorization to cure any constitutional or legal defect and that until such takes place, the City shall be permitted to exercise any and all remedies under this Agreement.

(ii) Allocation of Voted Authorization. The District represents and warrants that the multiple-fiscal year financial obligation represented by this Agreement (but only upon the occurrence of the Effective Date) shall be allocated to Ballot Issue 5D and Ballot Issue 5U (as previously defined, the Authorizing Ballot Issues) approved at the Election, in accordance with the provisions hereof, subject to the occurrence of the Effective Date. The District shall disclose such obligation annually in its audited financial statements, if any, for the Mill Levy Commencement Year (as defined in Section 1.02(d)(i) below) and each year thereafter. The Parties acknowledge and agree that the District does not intend to issue any other indebtedness or incur any other multiple-fiscal year obligations that would require use of the authorization provided in the Authorizing Ballot Issues, and therefore, in the event that this Agreement constitutes, in addition to a multiple-fiscal year obligation, "debt" requiring electoral authorization containing a maximum repayment amount, the District hereby reserves the authority for

debt provided at the Election by the approval of the Authorizing Ballot Issues for the multiple-fiscal year obligation represented by this Agreement, and further reserves the authority to impose ad valorem property taxes provided at the Election by the approval of the Authorizing Ballot Issues for the City Operations Mill Levy required by this Agreement. It is further acknowledged that in no event shall the total amount paid by the District hereunder exceed the maximum repayment cost authorized in Ballot Issue 5U. The District agrees to reserve the authority provided in the Authorizing Ballot Issues for this Agreement, notwithstanding the occurrence of the Effective Date.

(iii) Limits of Electoral Authorization. In no event shall the total or annual obligation of the District hereunder exceed the maximum amounts permitted under the Authorizing Ballot Issues.

(b) Payment Obligation and Pledge of Operations Revenue. In exchange for the City's upkeep, operation, maintenance, repair, and replacement of City Maintained Improvements and for the City's assumption on behalf of the District of services related thereto, commencing with the Mill Levy Commencement Year (as defined below), the District hereby agrees to impose the City Operations Mill Levy (as defined in Section 3.02(a)) and remit all revenues resulting therefrom (the "**Operations Revenue**") to the City in accordance with the provisions hereof. The obligations of the District to impose the City Operations Mill Levy and remit to the City any and all revenues resulting therefrom (collectively, the "**City Operations Mill Levy Obligation**") constitute a limited tax general obligation and a multiple-fiscal year financial obligation of the District payable solely from the Operations Revenue of the District. The District hereby pledges the Operations Revenue to the City to secure the City Operations Mill Levy Obligation. The District covenants not to incur any other indebtedness of any kind that would have a lien on or claim to the City Operations Mill Levy or the Operations Revenue. The City Operations Mill Levy Obligation shall constitute an irrevocable and first and exclusive priority lien upon the Operations Revenue of the District.

(c) Conditions Precedent. **The District's obligations hereunder comprising the City Operations Mill Levy Obligation shall not become effective and binding upon the District until the Effective Date, which is not to occur until: (i) the District has delivered an Effective Date Notice stating the Effective Date; and (ii) the District has delivered to the City an opinion of nationally recognized bond counsel in the form attached as Exhibit D hereto dated the Effective Date. Unless and until the Effective Date has occurred, this Agreement shall not constitute indebtedness of the District under any constitutional or statutory provision, including, but not limited to Section 32-1-503, C.R.S.**

(d) Covenant to Impose City Operations Mill Levy. In exchange for the City's upkeep, operation, maintenance, repair, and replacement of City Maintained Improvements and for the City's assumption on behalf of the District of services related thereto, the District hereby covenants as follows:

(i) Commencing with the calendar year in which the Effective Date occurs (if at all) (referred to herein as the “**Mill Levy Commencement Year**”), the District agrees to annually certify the City Operations Mill Levy in the amount calculated as set forth in Article III of this Agreement. The District shall remit the full amount of the Operations Revenue to the City no later than thirty (30) days after receipt of the same. The Operations Revenue shall be used for the upkeep, operation, maintenance, repair and replacement of the City Maintained Improvements and for services the City will be assuming on behalf of the District related thereto.

(ii) The sums required to make the Operations Revenue payments due hereunder are hereby appropriated by the Board of Directors of the District (the “**District Board**”) for that purpose, and said sums for each year of the Vesting Term (as defined herein) shall be included in the annual budget and appropriation resolution(s) to be adopted or passed by the District Board for each such year. For purposes of this Agreement, the “**Vesting Term**” shall commence with the Mill Levy Commencement Year and expire at the end of the calendar year that is the later of: (y) the twenty-eighth (28th) anniversary of the Effective Date or (z) the expiration of the term of the vested rights period as set forth in and as may be extended pursuant to that certain Annexation and Development dated October 22, 2009 and recorded in the office of the Douglas County Clerk and Recorder on December 29, 2009 at Reception No. 2009100334, as the same has been and may be further amended.

(iii) It shall be the duty of the District Board, for the Mill Levy Commencement Year and each year thereafter of the Vesting Term, at the time and in the manner provided by law for levying other taxes of the District, to ratify and carry out the provisions of this Section 1.02 with reference to the levying of the City Operations Mill Levy; and the District Board shall levy and certify said taxes in the manner provided by law for the purposes described herein.

(iv) The District Board shall take all reasonably necessary and proper steps to ensure that the City Operations Mill Levy is levied, assessed, collected, and enforced by the Douglas County Treasurer at the same time and in the same form and manner and with like interest and penalties as other general taxes in the State of Colorado, and that, when collected, the Douglas County Treasurer promptly pays the Operations Revenue to the District.

(v) In the event any ad valorem taxes are not paid when due, the District shall diligently cooperate with the Douglas County Treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed.

(vi) For the avoidance of doubt, the District shall certify the City Operations Milly Levy in the final calendar year of the Vesting Term and

shall take all other reasonably necessary and proper steps to ensure that the City Operations Mill Levy is levied, assessed, collected, and enforced as provided herein for the duration of the calendar year following the expiration of the Vesting Term.

(e) Determination of City Operations Mill Levy. The City Operations Mill Levy shall be determined each year, commencing with the Mill Levy Commencement Year, in accordance with Article III of this Agreement.

(f) Certification to County Commissioners. The provisions of this Section 1.02 of this Agreement are hereby declared to be the certificate of the District Board to the Board of County Commissioners of Douglas County, showing the amount of taxes to be levied each year in the manner required by law, for the purposes set forth herein.

(g) Any violation by the District of this Section 1.02 shall constitute a material breach of this Agreement and a violation of the District's obligation under Section 4-4-150 of the Castle Pines Municipal Code and § 32-1-207, C.R.S. as such code and statutory provisions may be amended from time to time, to obtain the approval of the City Council of a material modification of the Service Plan; in addition to the remedies set forth in this Agreement, the City may exercise any and all remedies available to it under the Castle Pines Municipal Code and §§ 32-1-101 *et seq.*, C.R.S. (the "**Special District Act**").

Section 1.03 Additional Covenants and Obligations.

(a) Covenant not to Exclude; Permitted Exclusions. With the exception of "Permitted Exclusions" (as defined below), the District shall not exclude any property from its boundaries or otherwise change its boundaries without the prior administrative approval of the City Manager, which approval shall not be unreasonably withheld. The District agrees that any attempt to exclude any property from its boundaries without the prior administrative approval of the City Manager (unless a Permitted Exclusion) shall be void and shall constitute a material breach of this Agreement and a violation of the District's obligation under Section 4-4-150 of the Castle Pines Municipal Code and § 32-1-207, C.R.S. as such code and statutory provisions may be amended from time to time, to obtain the approval of the City Council of a material modification of the Service Plan; in addition to the remedies set forth in this Agreement, the City may exercise any and all remedies available to it under the Castle Pines Municipal Code and the Special District Act. "*Permitted Exclusions*" means an exclusion from the District of property satisfying one of the following: (i) the exclusion occurs after the Effective Date of this Agreement (and, accordingly, the property proposed to be excluded from the District will remain subject to the obligations hereof after such exclusion); or (ii) immediately upon the effectiveness of its exclusion from the boundaries of the District, the property will be included into another metropolitan district serving The Canyons project that has executed an agreement with the City to impose the City Operations Mill Levy, which agreement includes substantially similar terms and incorporates the material provisions of this Agreement.

(b) No Liens on Operations Revenue. The District shall not issue or incur bonds, notes, or other obligations payable in whole or in part from, or constituting a lien upon, the Operations Revenue or any portion thereof.

(c) Records and Accounting. The District shall keep and maintain, or cause to be kept and maintained, accurate records and accounting entries reflecting all moneys received or delivered pursuant to this Agreement. The District will make such records available to the City within a reasonable time following the City's written request for the same.

(d) Limited Defenses. It is understood and agreed by the District that its obligations under this Agreement are absolute, irrevocable, and unconditional and so long as this Agreement has not been terminated by a court of competent jurisdiction or otherwise, the District agrees that, notwithstanding any fact, circumstance, dispute, or any other matter, it will not assert any rights of setoff, estoppel, or other defenses to its obligations under this Agreement, and it will not take or fail to take any action which would delay the performance of its obligations under this Agreement.

Section 1.04 No Retrospective Effect; Survival of Obligations.

(a) No Retrospective Effect. 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 the District to levy ad valorem property taxes, or as limiting or impairing the obligation of the District to levy, administer, enforce and collect the ad valorem property taxes as provided herein to satisfy the City Operations Mill Levy obligation.

(b) Survival of Payment Obligation. In addition, and without limiting the generality of the foregoing, the City Operations Mill Levy Obligation shall survive any court determination of the invalidity of this Agreement as a result of a failure, or alleged failure, of any of the directors of the District Board to properly disclose, pursuant to Colorado law, any potential conflicts of interest related to this Agreement in any way, provided that a disclosure is made on the record of District Board meetings as set forth in its official minutes.

**ARTICLE II
DETERMINATION OF CITY AND DISTRICT
MAINTAINED IMPROVEMENTS**

Section 2.01 Determination of City Maintained Improvements. The Parties acknowledge and agree that the City Maintained Improvements have not yet been specifically identified or constructed and that these improvements will be identified by the Parties and constructed over a period of several years as property within and outside the District is platted and developed. As part of the platting process and as a pre-condition to final plat approval, the City will identify the public improvements that the City desires to own, operate, and maintain as City Maintained Improvements under this Agreement in accordance with the procedures set forth in **Exhibit A**, attached hereto and incorporated herein. Without limiting the foregoing, the Parties

acknowledge and agree that it is the City's plan to own, operate, and maintain all of the trails, parks, open space, landscaping, drainage and recreation improvements within the service area boundary of the District, except for those limited District Maintained Improvements described in Section 2.03 below.

Section 2.02 Ownership of City Maintained Improvements. The Parties acknowledge and agree that the City Maintained Improvements will be installed or constructed upon or within tracts or parcels of real property to be identified and dedicated or deeded to the City as platting and development occurs within the District's service area boundary or outside of the District's boundaries but for the particular benefit of those residing within the District's service area boundary. The Parties acknowledge and agree that the City Maintained Improvements will be conveyed to and finally accepted by the City following applicable City-required warranty periods ("**Final Acceptance**" or "**Finally Accepted**"); provided, however, that the City shall be under no obligation to finally accept any City Maintained Improvements until after the Effective Date.

Section 2.03 Determination of District Maintained Improvements. The Parties may mutually agree, in limited circumstances where appropriate and for purposes of efficiency, for the District to own, operate, and maintain certain Eligible Improvements (as defined in **Exhibit A**) such as monument signage and retaining walls (collectively, the "**District Maintained Improvements**"). During the platting process and as a pre-condition to final plat approval, the Parties will mutually agree to the District Maintained Improvements to be own, operated, and maintained by the District. The procedures for determining the District Maintained Improvements are further set forth in **Exhibit A**.

Section 2.04 Amendment to Exhibit A. Upon determination of the City Maintained Improvements and District Maintained Improvements in accordance with the procedures set forth in Sections 2.01 and 2.03 and **Exhibit A**, the Parties shall list and describe the improvements in an attachment to Exhibit A (i.e., as Exhibits A-1, A-2, A-3, etc.), which attachments shall be approved by the Parties in accordance with Section 7.06 below. The Parties shall update the list and description of the City Maintained Improvements and District Maintained Improvements set forth in **Exhibit A** at least once annually as part of the budgeting process described in **Exhibit B** unless there has been no changes to the prior year's list and description in **Exhibit A**.

Section 2.05 Operations and Maintenance Standards. The City Maintained Improvements and District Maintained Improvements must be maintained by the City and the District, respectively, to at least the same standard and operated substantially in the same manner as similar improvements that are operated and maintained by the City. While the property or portions thereof being served by the City Maintained Improvements are being marketed to individual third-party homebuyers or commercial buildings, the District may desire that certain City Maintained Improvements receive additional or enhanced upkeep, operation, and maintenance ("**Enhanced Maintenance**"). The District will initiate a request for Enhanced Maintenance by submitting a written request to the City identifying the particular City Maintained Improvements subject to the request as well as the particular Enhanced Maintenance services requested by the District (each, a "**District Enhanced Maintenance Request**"). The City agrees to use good faith efforts to accommodate the District Enhanced Maintenance Requests in the City's Preliminary Budget and City's Final Budget (as those terms are defined below).

ARTICLE III
DETERMINATION OF CITY AND DISTRICT OPERATIONS MILL LEVIES

Section 3.01 Annual Budget. Commencing in the Mill Levy Commencement Year, each Party, with input from the other Party, will prepare and adopt an annual budget to determine the Annual City Operations Amount (as defined in Section 3.02(c)) and the Annual District Operations Amount (as defined in Section 3.02(d)) needed by the City and District, respectively, for such Party's upkeep, operation, maintenance, repair and replacement of, and capital expenditures for, the City Maintained Improvements and District Maintained Improvements, respectively. The Parties' budgets shall be prepared and the City's budget shall be approved in accordance with the procedure set forth in **Exhibit B** hereto, and shall include a determination of the City Operations Mill Levy and the District Operations Mill Levy, in accordance with the definitions thereof set forth in Section 3.02 below. Notwithstanding the foregoing, as substantial build-out of the District's service area boundary occurs and revenues and expenditures related to the City Maintained Improvements and District Maintained Improvements become more predictable, the Parties may mutually agree to amend this Agreement to remove the annual budgeting requirement and establish a fixed City Operations Mill Levy for the remainder of the Vesting Term.

Section 3.02 Determination of Mill Levies. The City Operations Mill Levy and District Operations Mill Levy shall be determined each year, commencing with the Mill Levy Commencement Year and continuing each year thereafter for the remainder of the Vesting Term (subject to amendment of this Agreement as provided in Section 3.01 above), in accordance with the following definitions and requirements, and the procedure established in **Exhibit B** hereto.

(a) **"City Operations Mill Levy"** means an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient to generate Operations Revenue to fund the Annual City Operations Amount (as defined below) for the year in which such levy is collected, but not in excess of 19 mills, unless otherwise agreed in writing by the District, less the District Operations Mill Levy for the applicable year; *provided, however*, that in no event shall the City Operations Mill Levy be less than 5 mills; and, *further provided*, that, in the event the method of calculating assessed valuation has or is changed on or after January 1, 2009, the 19 mill maximum and the 5 mill minimum provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the District in good faith, in consultation with the City (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable 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.

(b) **"District Operations Mill Levy"** means an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient to fund the Annual District Operations Amount (as defined below) for the year in which such levy is collected, but not in excess of 14 mills, unless otherwise agreed in writing by the City; *provided, however*, that in the event the method of calculating assessed valuation has or is changed on or after January 1, 2009, the 14 mill maximum

provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the District in good faith, (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable 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.

(c) “**Annual City Operations Amount**” means, for each calendar year, the amount determined by the City and agreed to by the District in accordance with the procedure set forth in **Exhibit B** hereto (i) sufficient to fund for such year the City’s reasonable costs to upkeep, operate, maintain, repair, and replace, and to provide services related to, the City Maintained Improvements that have been, or in the subject year likely will be, Finally Accepted, (ii) sufficient to establish and maintain reasonable reserves and contingencies for the upkeep, maintenance, repair, and replacement of, and the provision of services related to, City Maintained Improvements to be Finally Accepted in future years and for capital expenditures to be incurred prior to the expiration of the Vesting Term (collectively, the “**Reserve Funds**”). The Annual City Operations Amount shall be reduced by (i) amounts then on deposit in The Canyons Metropolitan District No. 4 Fund (as defined in Section 3.03 below) that are not set aside as Reserve Funds and (ii) amounts which the City has determined to fund from sources other than the City Operations Mill Levy.

(d) “**Annual District Operations Amount**” means, for each calendar year, an amount determined by the District (i) sufficient to fund for such year the District’s reasonable legal, accounting, and administration costs, (ii) sufficient to fund the cost to operate and maintain District Maintained Improvements and any City Maintained Improvements that have not been Finally Accepted by the City for operations and maintenance, and (iii) sufficient to establish and maintain reasonable reserves and contingencies for the upkeep, maintenance, repair, and replacement of, District Maintained Improvements and any City Maintained Improvements that have not been Finally Accepted by the City in future years, and for capital expenditures to be incurred (the “**District Reserve Funds**”). The Annual District Operations Amount shall be reduced by amounts which the District has determined to fund from sources other than the District Operations Mill Levy.

(e) The City Operations Mill Levy shall be subject to the Maximum Mill Levy set forth in Section II of the Service Plan.

(f) The City Operations Mill Levy may not be calculated to require or be used to fund any costs with respect to Planning Area O, as described in The Canyons Planned Development – 2nd Major Amendment, approved by the City Council by adoption of Ordinance No. 19-15 on December 10, 2019, and recorded in the office of the Douglas County, Colorado, Clerk and Recorder on January 17, 2020, at Reference No. 2020004048.

(g) The Parties recognize that the District’s revenue sources are finite and that the City Operations Mill Levy may not be sufficient to fund the Annual City Operations Amount. The City acknowledges and agrees that the revenues resulting from the City

Operations Mill Levy required to be imposed by the District after the Effective Date in accordance with the provisions hereof may not be sufficient to fund the City's upkeep, operation, maintenance, repair and replacement of, the City Maintained Improvements. In no event shall the District be obligated to fund any such cost in excess of the amounts generated from the City Operations Mill Levy, which is subject to the limitations set forth in this Agreement

Section 3.03 Deposit of City Operations Mill Levy Revenues. The City shall deposit and maintain any Operations Revenue received from the District in a separate fund or account earmarked specifically for use by the City for costs related to the upkeep, operation, maintenance, repair, and replacement of, and the provision of services related to, the City Maintained Improvements (the "**The Canyons Metropolitan District No. 4 Fund**"). Any Reserve Fund established by the City and funded with Operations Revenue shall be established as a subfund or subaccount of The Canyons Metropolitan District No. 4 Fund and shall be subject to the provisions of Section 3.04 hereof. The City shall hold, treat, and invest all funds in The Canyons Metropolitan District No. 4 Fund in the same manner as it holds, treats, and invests other public funds which are available for public expenditure. All interest income derived from the investment and reinvestment of any moneys in The Canyons Metropolitan District No. 4 Fund shall be credited to The Canyons Metropolitan District No. 4 Fund, and not to any other account or fund held or maintained by the City.

Section 3.04 Use of Operations Revenue. The City shall use the Operations Revenue held in The Canyons Metropolitan District No. 4 Fund for costs related to the upkeep, operation, maintenance, repair, and replacement of, and the provision of services related to, the City Maintained Improvements. To the extent that the City uses Operations Revenue to pay for costs incurred by the City in performing its obligations under this Agreement, such costs shall be comparable with costs incurred by the City for the performance of similar services for similar properties located within the City.

Section 3.05 Records and Accounting. The City shall keep and maintain, or cause to be kept and maintained, accurate records and accounting entries reflecting all moneys received or delivered pursuant to this Agreement and the use(s) of such moneys. The City will provide the District with an annual report of its use of such moneys and will otherwise make such records available to the District within a reasonable time following the District's written request for the same.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

Section 4.01 Representations and Warranties of the District. In addition to the representations and warranties made by the District in Section 1.02 of this Agreement, the District hereby makes the following representations and warranties to the best of its knowledge:

- (a) The District is a quasi-municipal corporation and political subdivision duly organized and validly existing under the laws of the State of Colorado.

(b) The District has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this Agreement and the execution, delivery, and performance of this Agreement has been duly authorized by all necessary action.

(c) The District is not in violation of any of 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 the District to perform its obligations hereunder. The execution, delivery and performance by the District of its obligations under this Agreement 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 the District 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 the District pursuant to the provisions of any mortgage, indenture, contract, agreement, or other undertaking to which the District is a party or which purports to be binding upon the District, or upon any of its revenues or other assets which could reasonably be expected to result in a material adverse effect.

(d) There is no action, suit, inquiry, investigation, or proceeding to which the District 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 actual knowledge of the District, threatened, in connection with any of the transactions contemplated by this Agreement nor, to the best knowledge of the District 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 the District to perform its obligations under, this Agreement.

(e) This Agreement constitutes the legal, valid, and binding obligation of the District, enforceable against the District 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).

Section 4.02 Representations and Warranties of the City. The City hereby makes the following representations and warranties to the best of its knowledge:

(a) The City is a home-rule municipality and a political subdivision duly organized and existing under the constitution and laws of the State of Colorado.

(b) The City has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this Agreement and the execution, delivery, and performance of this Agreement has been duly authorized by all necessary action.

(c) The City is not in violation of any of 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 the City to perform its obligations hereunder. The execution, delivery and performance by the City of its obligations under 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 the City 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 the City pursuant to the provisions of any mortgage, indenture, contract, agreement, or other undertaking to which the City is a party or which purports to be binding upon the City, or upon any of its revenues or other assets which could reasonably be expected to result in a material adverse effect.

(d) There is no action, suit, inquiry, investigation, or proceeding to which the City 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 the City, threatened, in connection with any of the transactions contemplated by this Agreement nor, to the actual knowledge of the City 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 the City to perform its obligations under, this Agreement.

(e) This Agreement constitutes the legal, valid, and binding obligation of the City, enforceable against the City 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).

(f) The Parties acknowledge that the City may enter into similar agreements with other metropolitan districts located within the City. In order to provide consistency to properties located within the metropolitan districts serving The Canyons project, the Parties agree to cooperate to revise, supplement, or amend this Agreement, to the extent practicable, so that properties within The Canyons that are similarly situated are treated similarly and equitably.

(g) The City acknowledges and agrees that the City Operations Mill Levy is not intended to, and shall not, diminish the mill levy permitted to be imposed by the District in accordance with its Service Plan for the payment of Debt (as defined therein). This Agreement is not intended to, and shall not, limit in any way the manner in which the District applies any revenues resulting from the imposition of a debt service mill levy for the payment of Debt, or otherwise restrict the District's ability to issue Debt. The City agrees to cooperate to revise, supplement, or amend this Agreement, to the extent necessary to further reflect such intent if necessary in connection with the issuance of Debt by the District.

**ARTICLE V
NON-COMPLIANCE AND REMEDIES**

Section 5.01 Events of Non-Compliance. The occurrence or existence of any one or more of the following events shall be an "Event of Non-Compliance" hereunder:

(a) The District fails to impose the City Operations Mill Levy or cooperate with Douglas County to collect or enforce the collection of the Operations Revenue;

(b) The District fails to remit the Operations Revenue to the City as required by the terms of this Agreement;

(c) Any representation or warranty made by any Party to 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 the other Party to this Agreement;

(d) The District materially fails in the performance of any other of its covenants or obligations in this Agreement, and such material failure continues for thirty (30) days after receipt of written notice from the City specifying such default and requiring the same to be remedied;

(e) The District commences proceedings for dissolution or consolidation with another metropolitan district during the Vesting Term; or

(f) The District (i) commences 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 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, trustee, custodian, or other similar official for itself or for any substantial part of its property; or (ii) makes a general assignment for the benefit of its creditors; or (iii) has commenced against it any case, proceeding, or other action of a nature referred to in clause (i) and the same shall remain not dismissed within 90 days following the date of filing; or (iv) has commenced against it 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 90 days from the entry thereof; or (v) takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (iii) or (iv) above; or (vi) generally is not, or is unable to, or admits in writing its inability to, pay its debts as they become due.

(g) The City materially fails in the performance of any of its covenants or obligations in this Agreement, including operating and maintaining the City Maintained Improvements and applying the Operations Revenue as required by this Agreement, and

such material failure continues for thirty (30) days after receipt of written notice from the District specifying such default and requiring the same to be remedied.

Section 5.02 Remedies for Events of Non-Compliance.

(a) In addition to other remedies set forth herein, and subject to Sections 1.03(d) and 1.04(b) hereof, upon the occurrence and continuance of an Event of Non-Compliance, a Party may proceed to protect and enforce its rights against the Party causing the Event of Non-Compliance 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 injunction or specific performance. In addition, upon the occurrence and continuance of an Event of Non-Compliance by the District, the City may refuse to accept any additional City Maintained Improvements and the City shall not be required to maintain the City Maintained Improvements to the standard set forth in Section 2.05. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the Party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

(b) Notwithstanding any other provision herein, the Parties acknowledge and agree that in no event shall any revenues pledged to the payment of indebtedness of the District (other than the Operations Revenue pledged hereunder) be available to satisfy any obligation of the District arising hereunder.

**ARTICLE VI
SUPPLEMENTAL PUBLIC SECURITIES ACT**

Section 6.01 Pledge of Revenue. The creation, perfection, enforcement, and priority of the District's pledge of the Operations Revenue under this Agreement for the purpose of securing its City Operations Mill Levy Obligation shall be governed by C.R.S. Section 11-57-208 and this Agreement. The Operations Revenue shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the Operations Revenue and the District's obligation to perform the obligations under this Agreement shall have priority over any or all other obligations and liabilities of the District, except as may otherwise be provided in C.R.S. 11-57-201 *et seq.* (the "**Supplemental Public Securities Act**"). The lien of such pledge on the Operations Revenue shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such lien. In no event shall this Agreement constitute a lien on, or otherwise encumber or limit, any revenues of the District resulting from a debt service mill levy imposed for the payment of indebtedness of the District (excluding the City Operations Mill Levy).

Section 6.02 No Recourse against Officers and Agents. Pursuant to C.R.S. Section 11-57-209, if a member of the District Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment or performance of the District's obligations hereunder.

Section 6.03 Conclusive Recital. Pursuant to C.R.S. Section 11-57-210, this Agreement is executed and delivered pursuant to those provisions of the Supplemental Public Securities Act referenced in this Agreement, and this recital is conclusive evidence of the validity and the regularity of this Pledge Agreement after its delivery for value.

Section 6.04 Limitation of Actions. Pursuant to C.R.S. Section 11-57-212, 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 (30) days after the authorization of this Agreement.

ARTICLE VII MISCELLANEOUS

Section 7.01. Termination of Obligation. The obligations of the District under this Agreement will terminate at the end of the calendar year within which the Vesting Term expires. Notwithstanding the foregoing, such termination will not affect the liability of the District for amounts required to be remitted under this Agreement, including any deficiencies or interest accrued as of, and interest accruing subsequent to, expiration of the Vesting Term.

Section 7.02. Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law, shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via Federal Express or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the District: WHITE BEAR ANKELE TANAKA & WALDRON
Attn: Clint Waldron, Esq.
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122
Phone: (303) 858-1800
E-mail: cwaldron@wbapc.com

To the City: City of Castle Pines
360 Village Square Drive, Suite B
Castle Pines, CO 80108
Attn: City Manager
Phone: (303) 705-0200
E-mail: michael.penny@castlepinesco.gov

With a copy to: City of Castle Pines
Attn: City Attorney
c/o Michow Cox & McAskin LLP
6530 S. Yosemite Street, Suite 200
Greenwood Village, CO 80111
Phone: (303) 459-2725
E-mail: Linda@mcm-legal.com

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

Section 7.03. Relationship of the Parties. The Parties shall not be deemed by virtue of this Agreement to have entered into any partnership, joint venture, employer/employee or other relationship with each other than as contracting parties.

Section 7.04. Modification of Terms of the Second ADA Amendment. The City hereby acknowledges and agrees that this Agreement satisfies the provisions of paragraph (4) of the Second ADA Amendment concerning the execution and delivery of the Pledge Agreement (as defined in the Second ADA Amendment) and hereby waives any provision of paragraph (4) of the Second ADA Amendment requiring such Pledge Agreement to provide for the imposition of taxes and remittance of the proceeds thereof to the City in a manner inconsistent with the terms hereof. Without limiting the foregoing, the City acknowledges that paragraph (4) of the Second ADA Amendment provides that the District is to impose the City Operations Mill Levy commencing in tax certification year 2021, while this Agreement requires the imposition of the City Operations Mill Levy commencing with the Mill Levy Commencement Year (as defined herein), and the City hereby agrees that the provisions of this Agreement supersede such provision of the Second ADA Amendment in its entirety. The City further hereby waives the provisions of the Second ADA Amendment requiring the execution of the Pledge Agreement within 180 days of the Second ADA Amendment, recognizing that such period ended in July 2020. North Canyons, LLLP, and any successor thereto under the Second ADA Amendment are hereby expressly made third party beneficiaries to this Section 7.04, entitled to rely on and enforce the provisions hereof in the same manner as if included in an amendment to the Second ADA Amendment executed by all parties thereto.

Section 7.05. Non-assignability. No Party to this Agreement may assign any interest therein to any person without the consent of the other Party hereto at that time.

Section 7.06. Amendments. This Agreement may not be amended, modified, or terminated in any respect, except by further agreement in writing duly executed by the Parties or their successors and assigns.

Section 7.07. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be invalid, void or unenforceable, such decision shall not affect the validity of any other portion of this Agreement which shall remain in full force and effect, the intention being that such portions 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.

Section 7.08. Negotiated Provisions. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been

prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed to the preparation of this Agreement.

Section 7.09. Waiver. No waiver by either Party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different provision of this Agreement. No covenant or term of this Agreement shall be deemed to be waived by a Party except in writing signed by the governing body of the Party or by a person expressly authorized to sign such waiver.

Section 7.10. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for all actions brought hereunder shall be in the District Court in and for Douglas County.

Section 7.11. Inurement. Each of the terms, covenants and conditions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

Section 7.12. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

Section 7.13. No Third Party Beneficiaries. No person or entity who or which is not a Party to this Agreement will have any right of action under this Agreement. Nothing contained in this Agreement is intended to or shall create a contractual relationship with, cause of action in favor of, or claim for relief for, any third-party, except as expressly provided in Section 7.04 hereof. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third-party, except as provided in Section 7.04 hereof. It is the express intention of the Parties that, except as provided in Section 7.04 hereof, any person other than Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

Section 7.14. Entirety. This Agreement (including all exhibits) merges and supersedes all prior negotiations, representations, and agreements, between the Parties relating to the subject matter hereof, and this Agreement, together with the Service Plan, constitute the entire agreement between the Parties concerning the subject matter hereof.

Section 7.15. 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 a Party its respective officials, employees, contractors, or agents, or any other person acting on behalf of the Party and, in particular, governmental immunity afforded or available to a Party pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

Section 7.16 Counterpart Execution. This Agreement may be executed in multiple counterparts; all counterparts so executed shall constitute one agreement binding upon all Parties, notwithstanding that all Parties are not signatories to the original or the same counterpart.

Documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

(Signature page follows.)

IN WITNESS WHEREOF, this Agreement is executed by the City and the District as of the date first above written.

CITY OF CASTLE PINES, COLORADO

Tera Stave Radloff, Mayor

ATTEST:

Tobi Duffey, City Clerk

APPROVED AS TO FORM:

Linda Michow, City Attorney

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

Jonathan Alpert, President
The Canyons Metropolitan District No. 4

ATTEST:

Scott Alpert, Secretary

By its signature below, North Canyons, LLLP, agrees to cooperate with the City and the District in connection with identifying City Maintained Improvements and District Maintained Improvements during the platting process for real property it owns and located within the service area boundary of the District. North Canyons, LLLP, is executing this Agreement exclusively for such purpose and for no other purposes whatsoever.

NORTH CANYONS, LLLP, a Colorado limited liability limited partnership

By: _____
Its: _____

EXHIBIT A

Determination of City Maintained Improvements and District Maintained Improvements

As platting and construction proceeds and public improvements are constructed (*e.g.*, trails, parks, landscaping, drainage, or recreation improvements) or land is set aside for public purposes (*e.g.*, natural open space), the Parties agree that the City Maintained Improvements and District Maintained Improvements will be identified in accordance with the following procedures:

1. (a) Prior to the City's acceptance and consideration of any plat for property within the District's service area boundary representatives of the City, the District, and the owner of the property to be platted will meet (the "**Pre-Submittal Meeting**") to identify, in connection with the development of the property to be platted: (i) the type of public improvements that will be constructed, (ii) the land on or within which the public improvements will be constructed, and (iii) any land that will be set aside for public use (*e.g.*, natural open space) or future public improvements ("**Eligible Improvements**").

(b) Eligible Improvements may include, without limitation, trails, parks, open space, landscaping, drainage, and recreation improvements; provided, however, that Eligible Improvements may not include: streets and sidewalks, water and sewer mains required to be dedicated to and accepted by the Parker Water and Sanitation District, or any improvements within Planning Area O, as described in The Canyons Planned Development – 2nd Major Amendment, approved by the City Council by adoption of Ordinance No. 19-15 on December 10, 2019, and recorded in the office of the Douglas County, Colorado, Clerk and Recorder on January 17, 2020, at Reference No. 2020004048. Further, Eligible Improvements may only include improvements that legally could be maintained, operated, repaired, or replaced by the District as of or after the Effective Date, and will not include any improvements to be owned by an owners association or are otherwise designated as not being generally available to the public.

(c) The Parties agree that it generally is desirable for the same types of Eligible Improvements to be operated and maintained by the same Party regardless of where within the District they may be located; for example, a trail system should be under common management as opposed to being divided between maintenance entities.

2. Following the Pre-Submittal Meeting, the City shall identify and submit in writing to the District: (i) which of the Eligible Improvements the City will own, operate, and maintain as City Maintained Improvements, and (ii) which of the District Maintained Improvements the District will continue to own, operate, and maintain. On or before thirty (30) days following the District's receipt of the City's list of City Maintained Improvements, the District shall submit to the City in writing any concerns or objections that the District has to the City's list of City Maintained Improvements or District Maintained Improvements.

3. Following receipt of the District's written communication pursuant to paragraph 2 of this Exhibit A (if any), the Parties will use good faith efforts to mutually and reasonably agree to the City Maintained Improvements and District Maintained Improvements; provided, however, if the Parties cannot agree on said matters, the City shall make the final decision with respect to the same subject to compliance with paragraph 1(b) of this Exhibit A.

EXHIBIT B

Preparation and Adoption of Annual Budget and Calculation of City Operations Mill Levy

1. Preliminary Budget.

(a) On or before September 1 of each year, commencing with the Mill Levy Commencement Year, each Party will prepare and submit to the other Party a preliminary budget for the following budget year in conformance with Article III of this Agreement and this Exhibit B (the “**Preliminary Budgets**”). Each Party shall provide to the other Party with its Preliminary Budget reasonable and reliable documentation to substantiate and validate the Preliminary Budget; such documentation may include, without limitation, existing contracts with, or proposals for the provision of services by, third-party contractors and service providers, and/or City and District (as applicable) staffing allocations for the subject budget year.

(i) The City’s Preliminary Budget shall show the services to be provided and the proposed expenses anticipated to be incurred by the City with respect to (1) its upkeep, operation, maintenance, repair, and replacement of those City Maintained Improvements that the City reasonably anticipates owning, operating, and maintaining during the ensuing budget year, it being acknowledged and agreed to by the Parties that the City shall have no obligation to budget for, operate, or maintain any City Maintained Improvements that have not been Finally Accepted, any City Maintained Improvements that are not reasonably anticipated to be Finally Accepted during the ensuing budget year, or any District Maintained Improvements. Without limiting the foregoing, in preparing its Preliminary Budget, the City will consider: (a) the City Maintained Improvements that have been constructed, including land that has been set aside for public purposes (e.g., natural open space), and Finally Accepted and are actually being operated and maintained by the City; (b) the City Maintained Improvements, including land to be set aside for public purposes (e.g., natural open space), that are likely to be Finally Accepted by the City during the ensuing budget year; (c) the City Maintained Improvements that are or are likely to be operated and maintained by the District as District Maintained Improvements during the ensuing budget year; (d) the beginning fund balance for The Canyons Metropolitan District No. 4 Fund; (e) the funds in The Canyons Metropolitan District No. 4 Fund set aside as Reserve Funds (as defined in Section 3.02(c) of this Agreement); (f) other available funding sources for the upkeep, operation, maintenance, repair, and replacement of, and the provision of services related to, the City Maintained Improvements that have been, or are likely to be, Finally Accepted by the City during the ensuing budget year; (g) the operation and maintenance standard set forth in Section 2.05 of this Agreement; (h) foreseeable enhancements to the District’s tax base; and (i) similar factors to determine the Annual City Operations Amount. The City’s Preliminary Budget shall include the

amount of the City Operations Mill Levy required to fully fund the Annual City Operations Amount.

(ii) The District's Preliminary Budget shall show the services to be provided and the proposed expenses anticipated to be incurred by the District with respect to its upkeep, operation, maintenance, repair, and replacement of the District Maintained Improvements and the not-yet Finally Accepted City Maintained Improvements that the District reasonably anticipates operating and maintaining during the ensuing budget year. Without limiting the foregoing, in preparing its Preliminary Budget, the District will consider: (a) the District Maintained Improvements that have been constructed and are actually being operated and maintained by the District; (b) the District Maintained Improvements that are likely to be completed during the ensuing budget year; (c) the City Maintained Improvements that are or are likely to be operated and maintained by the District during the ensuing budget year or some portion thereof (*i.e.*, until such time as the City Maintained Improvements have been Finally Accepted); (d) District funds in excess of the total expenses estimated in the District's Final Budget for the prior budget year; (e) other available funding sources for the upkeep, operation, maintenance, repair, and replacement of, and the provision of services related to, the District Maintained Improvements, including the District Reserve Funds (as defined in Section 3.02(d) of this Agreement); (f) the operation and maintenance standard set forth in Section 2.05 of this Agreement; (g) foreseeable enhancements to the District's tax base; (h) the District's reasonable legal, accounting, and administration costs; and (i) similar factors to determine the Annual District Operations Amount. The District's Preliminary Budget shall include the amount of the District Operations Mill Levy required to fully fund the Annual District Operations Amount.

2. **Budget Review.** Each Party may submit any comments, modifications to, additions to and/or deletions from the other Party's Preliminary Budget to the other Party no later than October 1 of such year. The Parties will exercise reasonable and good faith efforts to resolve any disagreements concerning the Preliminary Budgets in order to finalize the budgets by November 15 of the applicable year, and to facilitate the adoption of a final budget and certification of the City Operations Mill Levy and District Operations Mill Levy by the District (the "**Final Budgets**"). If a Party does not provide any comments, modifications to, additions to and/or deletions from the other Party's Preliminary Budget in writing to the other Party by October 1 of the applicable year, the reviewing Party will be deemed to have accepted the other Party's Preliminary Budget, including the amount of the City Operations Mill Levy or District Operations Mill Levy (as applicable), as presented.
3. **City Default Budget.** In the event that the Parties cannot agree on the City's Final Budget by November 15th of any year, the City and District will be deemed to have accepted a Final Budget with a City Operations Mill Levy set at the amount required to fully fund an Annual City Operations Amount equal to one-hundred and

fifteen percent (115%) of the prior year's Annual City Operations Amount. The imposition of a City default budget shall not prejudice the rights of the District and City to pursue remedies pursuant to the terms of this Agreement. Notwithstanding the foregoing, the financial obligations of the District due under this Agreement are payable solely from the Operations Revenue and will not exceed 19 mills, less the District Operations Mill Levy for the applicable year; *provided, however*, that, in the event the method of calculating assessed valuation has or is changed on or after January 1, 2009, the 19 mill maximum will be increased or decreased to reflect such changes, such increases or decreases to be determined by the District in good faith, in consultation with the City (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable 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.

4. Balanced Budget. In the event actual revenues for a budget year exceed total expenses, such excess shall roll over and be accounted for in the ensuing year's budget.

**EXHIBIT C
FORM OF EFFECTIVE DATE NOTICE**

_____, 20__

City of Castle Pines
7501 Village Square Drive, Suite 100
Castle Pines, CO 80108
Attn: City Manager
Phone: (303) 705-0200

Re: City Operations Mill Levy Pledge Agreement—Effective Date Notice

Ladies and Gentlemen:

This notice (the “**Notice**”) is submitted to you pursuant to Section 1.01(a) of that certain City Operations Mill Levy Pledge Agreement, dated _____, 2021 (the “**Pledge Agreement**”), by and between The Canyons Metropolitan District No. 4 (the “**District**”) and the City of Castle Pines, Colorado (the “**City**”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Pledge Agreement.

The District hereby notifies you that the “**Effective Date**” under the Pledge Agreement is [_____]. Attached hereto is an executed Bond Counsel Opinion, in the form attached as Exhibit D to the Pledge Agreement, dated as of the Effective Date.

The District acknowledges that, by delivery of this Notice and the enclosed Bond Counsel Opinion, the Effective Date has occurred, and that such occurrence is irrevocable. Accordingly, the District is hereafter unconditionally obligated to impose the City Operations Mill Levy and remit the proceeds thereof in accordance with, and subject to the limitations of, the Pledge Agreement.

Sincerely,

[Authorized Representative of the District]

EXHIBIT D
FORM OF BOND COUNSEL OPINION

_____, 20__

The Canyons Metropolitan District No. 4
C/O WHITE BEAR ANKELE TANAKA &
WALDRON
Attn: Clint Waldron, Esq.
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122

City of Castle Pines
7501 Village Square Drive, Suite 100
Castle Pines, CO 80108
Attn: City Manager
Phone: (303) 705-0200

Re: City Operations Mill Levy Pledge Agreement

Ladies and Gentlemen:

We have acted as special bond counsel to The Canyons Metropolitan District No. 4 (the "**District**") in connection with the District's execution of that certain City Operations Mill Levy Pledge Agreement, dated _____, 2021 (the "**Pledge Agreement**"), by and between the District and the City of Castle Pines, Colorado (the "**City**").

The Pledge Agreement was authorized by the District by the approval of the Board of Directors of the District of a resolution authorizing the Pledge Agreement on _____, 2021 (the "**Pledge Agreement Resolution**"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Pledge Agreement and the Pledge Agreement Resolution.

The following three opinions (the "**Opinions**") are necessarily based solely upon our examination of the Pledge Agreement; the Pledge Agreement Resolution; certain certificates signed by officers of the District; the constitution and laws of the State of Colorado as of the date hereof; and such other documents, records, and matters of law as we have deemed necessary as a basis for the opinions hereinafter expressed. As to questions of fact material to our opinions, we have relied upon representations of the District and others without undertaking to verify the same by independent investigation. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to authentic original documents of all documents submitted to us as certified, conformed, or photostatic copies. The Opinions are given in our role as special bond counsel to the District, and in rendering the Opinions we are not undertaking to represent any other party. The Opinions given herein are limited to the laws of the State of Colorado.

Based upon the foregoing examination, and subject to the limitations and qualifications set forth herein, we are of the opinion under existing law that:

- (1) The Pledge Agreement constitutes a legal, valid and binding limited tax obligation of the District, and is legally enforceable against the District in accordance with its terms, subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other law affecting the enforcement of creditors' rights generally and subject to the application of general principles of equity.
- (2) The Pledge Agreement creates a limited tax pledge and a multiple-fiscal year obligation of the District to remit the Operations Revenue to the City.
- (3) All taxable property of the District is subject to an ad valorem tax levy at the rate and in the amount of the City Operations Mill Levy commencing on the date, and for the purposes, set forth in the Pledge Agreement.

The Opinions are rendered as of the date hereof, and we cannot and do not assume any responsibility for providing any information to any addressee or any other person concerning the Pledge Agreement or any opinions based upon such information, that may or may not become known to us after the date hereof. We express no opinion herein as to any matter not specifically set forth above.

The Opinions are solely for your benefit in connection with the execution and delivery of the Pledge Agreement, and are not to be circulated, quoted, or otherwise communicated, in whole or in part, to any other person or used for any other purpose without our prior written consent. The District is our sole client in this transaction and we have not been engaged by, nor have we undertaken to advise any other party or to opine as to matters not specifically covered herein.

EXHIBIT E

Agreement Regarding Remittance of Public Improvement Fees Relating to Construction Activities

**AGREEMENT REGARDING
REMITTANCE OF PUBLIC IMPROVEMENTS FEES
RELATING TO CONSTRUCTION ACTIVITIES
(CANYONSIDE AT CASTLE PINES)**

THIS AGREEMENT REGARDING REMITTANCE OF PUBLIC IMPROVEMENTS FEES RELATING TO CONSTRUCTION ACTIVITIES (CANYONSIDE AT CASTLE PINES) (this “**Agreement**”) is entered into as of the 26th day of April, 2021, by NORTH CANYONS LLLP, a Colorado limited liability limited partnership (“**Canyons**”); THE CANYONS METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”); and the CITY OF CASTLE PINES, a Colorado home rule municipal corporation (“**City**”).

RECITALS

A. Canyons desires to develop certain real property located in the City known as The Canyons as a residential and mixed-used community (the “**Project**”).

B. Canyons and the City, among other parties, are parties to that certain Annexation and Development Agreement for The Canyons dated October 22, 2009 (“**Original Development Agreement**”), as amended by that certain First Amendment to Annexation and Development Agreement dated April 9, 2019 (“**First Amendment**”), and further amended by that certain Second Amendment to Annexation and Development Agreement dated January 13, 2020 (“**Second Amendment**”), relating to the Project. The Original Development Agreement, First Amendment and Second Amendment, together with any subsequent amendments thereto, are collectively referred to herein as the “**Development Agreement**”). Capitalized words used but not defined herein have the meanings given them in the Development Agreement.

C. Canyons, as “declarant,” has executed and recorded, or intends to execute and record, that certain Declaration of Covenants Implementing and Imposing the Canyonside at Castle Pines Public Improvements Fee (“**PIF Covenant**”), which imposes, among other matters, the obligation on building permit applicants to remit the Credit PIF in connection with engaging in “Construction Activities” (defined below) occurring within the portion of the Project legally described in Exhibit A attached hereto and incorporated herein by this reference (“**Development**”). As used herein, and notwithstanding anything to the contrary in the Development Agreement, “**Construction Activities**” means the use of building and construction materials for incorporation into the construction of any new or existing building or structure, in each case to the same extent that such building and construction materials are included in the “Construction Valuation Amount” (defined below) as indicated on the application for a City building permit; provided, however, “Construction Activities” do not include any activities related to the use of building and construction materials for incorporation into the construction of any new or existing residential buildings or structures after the 500th residential building permit is issued within the Development. As used herein, “**Construction Valuation Amount**” means the total cost or valuation of the project giving rise to the applicable Construction Activities as indicated on the application for the City building permit for such project and finally determined by the City.

D. The District is the Infrastructure Provider with respect to the Development, as contemplated by the Development Agreement.

E. In consideration of Canyon's imposition of the Credit PIF on Construction Activities, the City has granted a Sales/Use Tax Credit to building permit applicants who are subject to and actually pay the Credit PIF to the PIF Collecting Agent/Trustee during the Revenue Sharing Period in accordance with the terms of the Development Agreement and the PIF Covenant.

F. In furtherance of the PIF Collecting Agent/Trustee's collection of the Credit PIF on Construction Activities, the Development Agreement provides that the City will coordinate with the Infrastructure Provider and Canyons with respect to verifying that building permit applicants intending to engage in Construction Activities within the Development have paid the Credit PIF to the PIF Collecting Agent/Trustee in the appropriate amount prior to the issuance of a building permit by the City to such applicant.

G. In order to streamline the verification process for PIF Obligors (as defined in the PIF Covenant), the City has requested and agreed to collect the Credit PIF from each PIF Obligor in connection with such PIF Obligor's application for building permits and payment of related fees to the City for the same, and promptly deposit such Credit PIF with the PIF Collecting Agent/Trustee.

H. Canyons, the District and the City desire to set forth their understandings and agreements regarding the City's collection, remittance and verification of payment of the Credit PIF on Construction Activities within the Development, as set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth in the Development Agreement and below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Canyons, the District and the City (each a "**Party**," and collectively, the "**Parties**") hereby agree as follows:

1. Construction Activities. Each Party will employ commercially reasonable efforts to promptly provide the other Parties and the PIF Collecting Agent/Trustee with prior written notice of any person intending to engage in Construction Activities within the Development of which such Party has knowledge. The Construction Activities Guidelines (as defined in the PIF Covenant) provided to PIF Obligors will include, among other matters, instructions to the PIF Obligor regarding payment of the Credit PIF in accordance with this Agreement. Canyons shall submit to the City courtesy copies of any Construction Activities Guidelines in accordance with the PIF Covenant.

2. District Account. Prior to the date of this Agreement, the District has caused to be established one or more bank accounts solely for the benefit of the District for the purpose of the City depositing, in accordance with the requirements of Section 4, each Credit PIF Check received from PIF Obligors (the "**District Account**") using a method reasonably acceptable to the City and District (e.g., a "desktop teller" or similar method) (as applicable, "**Desktop Teller**"), and for the purpose of receiving Credit Card Payments paid directly by PIF Obligors. The District shall be responsible for maintenance obligations and costs associated with such Desktop Teller. Initially,

the District Account is to be established with the Colorado Surplus Asset Fund Trust (CSAFE). The District's authorized representative(s), or such designee(s) as the District in its discretion may authorize, will be the only signatories, and the City will not be a signatory on the District Account or have authority to transfer funds from or draw checks on the District Account. The District will notify, or cause the PIF Collecting Agent/Trustee to notify, the City of any transfer of the District Account from CSAFE to a banking institution at least 30 days prior to the effectiveness of such transfer, together with written instructions for the City's deposit of funds therein.

3. Building Permit Application. The Parties acknowledge that the City building department has responsibility for the issuance of building permits and collection of the City's use tax from the applicable building permit applicant pursuant to the City's municipal code in connection with the City's issuance of such permit. As contemplated by Section 5.2.C(i) of the Development Agreement, the City will instruct PIF Obligor applying for building permits with the City to note the amount of the Sales/Use Tax Credit and the Credit PIF in the appropriate sections of the City's building permit application form ("**Building Permit Application**").

4. Payment of Credit PIF. As contemplated by Section 5.2.C(i) of the Development Agreement, the City will require each PIF Obligor applying for a building permit to the City for Construction Activities within the Development to submit payment of the appropriate Credit PIF Revenues relating to such Construction Activity either (a) by check, payable as set forth in the Construction Activities Guidelines (each a "**Credit PIF Check**"), or (b) by credit card payment directly to the District Account using a method established by the District and reasonably acceptable to the City and District (e.g., the District's "authorize.net" or similar account), which payment shall include any processing fees or expenses in connection with the same charged by a credit card company with no additional mark-up by the District (each a "**Credit Card Payment**"). The City will not issue a building permit to such PIF Obligor without first receiving (1) either the applicable Credit PIF Check or a receipt confirming the Credit Card Payment and (2) the Building Permit Application. Promptly upon receipt of any Credit PIF Check, the City will cause the Credit PIF Check to be deposited directly into the District Account electronically using the Desktop Teller. If the City or District collects and deposits into the District Account Credit PIF Revenues in excess of what should have been paid by a PIF Obligor, as determined by the City through its building permit process, the City shall notify the District of the overpayment amount in writing and the District shall refund the PIF Obligor such amount as soon as practicable following receipt of such notice. For the avoidance of doubt, this Section will not, and will not be construed to, prohibit the City, and/or its consultants and agents, including without limitation, the City's designated building official, from accepting, reviewing and/or approving construction plans, building permit valuation information and like matters with respect to proposed Construction Activities within the Development, so long as the City does not issue any building permit in connection with such submittals unless and until the PIF Obligor has delivered the appropriate Credit PIF Revenues to the City.

5. City Audit; Enforcement. The Parties acknowledge that the City may audit, but does not have the obligation to audit, the accuracy and completeness of a PIF Obligor's Building Permit Application previously submitted to and approved by the City. If, as a result of any such audit or other investigation or inquiry by the City, the City determines that the actual cost of the proposed improvements with respect to the applicable Construction Activity was more than the estimated cost of the proposed improvements as previously submitted to PIF Collecting

Agent/Trustee and the City such that the applicable Credit PIF Revenues payable under the terms and conditions of the PIF Covenant and the Development Agreement were higher than the amount of such Credit PIF Revenues actually remitted to the PIF Collecting Agent/Trustee, the City will promptly notify the PIF Collecting Agent/Trustee in writing of the underpayment and the amount of such underpayment. If the PIF Collecting Agent/Trustee is unable to collect all or any portion of such Credit PIF Revenues due and owing, the City will be given notice thereof in accordance with Section 5.2.I of the Development Agreement and the City and the District will proceed in accordance with the provisions of Section 5.2.I of the Development Agreement. If, as a result of any such audit or other investigation or inquiry by the City, the City determines that the actual cost of the proposed improvements with respect to the applicable Construction Activity was more or less than the estimated cost of the proposed improvements as previously submitted to PIF Collecting Agent/Trustee and the City such that the applicable Credit PIF Revenues payable under the terms and conditions of the PIF Covenant and the Development Agreement were lower or higher than the amount of such Credit PIF Revenues actually remitted to the PIF Collecting Agent/Trustee, the City will promptly notify the PIF Collecting Agent/Trustee in writing of the amount of such underpayment or overpayment, as applicable. With respect to an overpayment, the PIF Collecting Agent/Trustee shall remit reimbursement in the exact dollar amount of the overpayment to the City within ten (10) business days of receipt of such written notification. With respect to an underpayment, the City will make commercially reasonable efforts to obtain the exact dollar amount of the underpayment from the PIF Obligor, and, upon receipt, promptly remit the same to the PIF Collecting Agent/Trustee.

6. Copies of Permits. The City will submit copies of any approved Building Permit Application for Construction Activities to the PIF Collecting Agent/Trustee no later than the 10th day of the month following the month in which the City approved the applicable Building Permit Application.

7. Payment of City Invoices. In accordance with Section 5.2.C(i) of the Development Agreement, the City will submit invoices to the District no later than the 10th day of the month following the month of the invoice, in an amount equal to the City's reasonable costs incurred with respect to implementation, collection, verification and monitoring of the Credit PIF. The District will pay each invoice within thirty days of receipt of such invoice submitted by the City to the District.

8. Term. The term of this Agreement shall run concurrently with the term of the Revenue Sharing Period for sales/use tax collected on Construction Activities as set forth in the Development Agreement and shall terminate following the City's completion of all duties and obligations with respect to Credit PIF Revenues for Construction Activities, subject to the terms and conditions of the Development Agreement and any obligations of this Agreement that, by their terms, are intended to survive such termination. Upon receipt of written request from the City following expiration of the Revenue Sharing Period, Canyons shall cause to be recorded a notice of termination of the Credit PIF applicable to Construction Activities in the real property records of the office of the Clerk and Recorder of Douglas County.

9. Notices. Any notice or communication required under this Agreement must be in writing, and may be given personally, by registered or certified mail, return receipt requested or by electronic mail (e-mail). If given by registered or certified mail, the same will be deemed to

have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (ii) five days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by e-mail, the same will be deemed to have been given and received upon transmittal if transmitted on or before 5:00 p.m. Denver time on a business day, otherwise, on the following business day; provided, however, a paper copy of such e-mail must be promptly delivered by registered or certified mail. If personally delivered, a notice will be deemed to have been given when delivered to the Party to whom it is addressed. Any Party may at any time, by giving written notice to the other Parties hereto as provided in this Section, designate additional persons to whom notices or communications will be given, and designate any other address in substitution of the address to which such notice or communication will be given. Such notices or communications will be given to the Parties at their addresses set forth below:

If to the City: City of Castle Pines
360 Village Square Lane, Suite B
Castle Pines, Colorado 80108
Attention: City Manager
E-mail: michael.penny@castlepinesgov.com

With a required copy to: Michow Cox & McAskin LLP
6530 S. Yosemite St., Suite 200
Greenwood Village, Colorado 80111
Attention: Linda Michow
E-mail: linda@mcm-legal.com

If to Canyons: North Canyons, LLLP
3033 East First Avenue, No. 501
Denver, Colorado 80206
Attention: Lee Alpert
E-mail: leealpert@msn.com

With a required copy to: Otten, Johnson, Robinson, Neff &
Ragonetti, P.C.
950 Seventeenth Street, Suite 1600
Denver, Colorado 80202
Attention: Kimberly Martin
E-mail: kmartin@ottenjohnson.com

If to the District: White Bear Ankele Tanaka & Waldron
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attn: Clint Waldron
Email: cwaldron@wbapc.com

With a required copy to: The Canyons Metropolitan District No. 1
3033 E. First Avenue, Suite 725
Denver, Colorado 80206

Attn: Jonathan Alpert
Email: jalpert@alpertcorp.com

10. Headings. The headings which appear in some of the Sections of this Agreement are for purposes of convenience and reference and are not in any sense to be construed as modifying the Sections in which they appear.

11. Amendment. No change or modification of this Agreement will be valid unless the same is in writing and signed by the Parties.

12. Assignment. This Agreement cannot be assigned in whole or in part by any Party without the prior written consent of the other Parties.

13. Binding Effect. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

14. Governing Laws. This Agreement will be governed by, and enforced in accordance with, the laws of the State of Colorado. The venue for any suit brought regarding this Agreement shall be a court of competent jurisdiction in the City and County of Denver, Colorado.

15. Counterparts; Electronic Delivery. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, and all such counterparts taken together will constitute one and the same instrument. This Agreement may be executed and delivered by one Party to the other Parties by facsimile or electronically (via PDF), and counterparts executed and delivered in such manner will be fully binding and enforceable to the same effect as if an original had been executed and delivered instead.

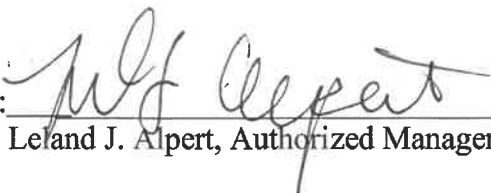
[Signature Pages Follow This Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

CANYONS:

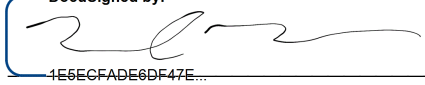
NORTH CANYONS, LLLP, a Colorado limited liability limited partnership

By: Alpert Canyons, LLC, a Colorado limited liability company, its General Partner

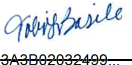
By: 
Leland J. Alpert, Authorized Manager

CITY:

CITY OF CASTLE PINES,
a Colorado municipal corporation

DocuSigned by:

By: _____
Name: Michael Penny
Title: City Manager

ATTEST:

DocuSigned by:

AD03A3B02032490...

Tobi Basile, City Clerk

APPROVED AS TO FORM:

DocuSigned by:
Linda C. Michow
5241DE90B8FF444...

Linda Michow, City Attorney

DISTRICT NO. 1:

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

DocuSigned by:
By Jonathan Alpert
Name: Jonathan Alpert
Title: President

ATTEST:

DocuSigned by:
Scott Alpert
Secretary

EXHIBIT A
Legal Description of the Development

Parcels 1 through 5, inclusive,
The Canyons Superblock Plat No. 2,
County of Douglas,
State of Colorado.

EXHIBIT F
2022 Budgets

THE CANYONS METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**THE CANYONS METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (10,225)	\$ (2,656)	\$ 9,111
REVENUES			
Interest income	35	-	-
Developer advance	52,517	50,500	43,140
Public improvement fees	-	243,100	161,250
Transfers from District #2	32,978	28,439	28,061
Transfers from District #4	-	1,874	1,838
Total revenues	85,530	323,913	234,289
Total funds available	75,305	321,257	243,400
EXPENDITURES			
General and administrative			
Accounting	16,418	17,000	18,700
Dues and membership	1,502	1,402	1,550
Insurance and bonds	10,780	10,444	12,000
Legal	47,344	40,000	44,000
Miscellaneous	-	200	1,000
Election expense	1,917	-	2,500
Transfers to District #3 - PIF	-	243,100	161,250
Contingency	-	-	1,500
Total expenditures	77,961	312,146	242,500
Total expenditures and transfers out requiring appropriation	77,961	312,146	242,500
ENDING FUND BALANCE	\$ (2,656)	\$ 9,111	\$ 900
EMERGENCY RESERVE	\$ -	\$ 1,000	\$ 900
TOTAL RESERVE	\$ -	\$ 1,000	\$ 900

No assurance provided. See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/12/22

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

Agricultural	\$ 250	\$ 270	\$ 280
Certified Assessed Value	\$ 250	\$ 270	\$ 280

MILL LEVY

General	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000

PROPERTY TAXES

General	\$ -	\$ -	\$ -
Budgeted property taxes	\$ -	\$ -	\$ -

BUDGETED PROPERTY TAXES

General	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

**THE CANYONS METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado and the District operates in connection with District Nos. 2 – 4 and 8 - 11.

The District was formed by District Court Order on December 19, 2001, and held its organizational meeting on March 14, 2002. The relationship between the Service District and Financing Districts, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the development, will be established by means of a Master Intergovernmental Agreement between the applicable Districts as the project evolves.

On November 6, 2001, District voters approved authorization to increase property taxes up to \$5,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$151,000,000 for the above listed facilities and an equal amount for refunding debt. The voters also authorized debt of \$5,000,000 for the costs of operating and maintaining the District's systems and \$10,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$100,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$100,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$2,260,000,000 for the above listed facilities and \$226,000,000 for refunding debt. The voters authorized debt of \$226,000,000 for the costs of operating and maintaining the District's systems and \$50,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The voters also authorized \$226,000,000 in debt for both Intergovernmental Agreements and Private Agreements. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

Pursuant to the Amended and Restated Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. This limit is to be adjusted for increases or decreases in the residential assessment ratio so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result. The adjustment only applies to the debt service portion of the mill levy.

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

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

**THE CANYONS METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures are to be funded by the Developer. Advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse others from bond proceeds and other available revenue.

Intergovernmental Revenue

The intergovernmental revenues are transfers from District No. 2 and District No.4 to provide funding for the overall administrative and operating costs for District Nos. 1 – 4 and 8 - 11.

Public Improvement Fees (PIF)

The Master Developer has imposed a Public Improvement Fee (“PIF”) through the Declaration of Covenants Imposing and Implementing The Canyonside at Castle Pines Public Improvements Fee (“PIF Covenant”). 100% of the PIF is collected by the District and pledged to the payment of the 2021 Bonds issued by Canyons Metropolitan District No. 3. The PIF is due prior to obtaining a building permit.

The PIF Covenant imposes a Credit PIF on Credit PIF Construction Activities and a Credit PIF on Credit PIF Retail Sales of 1.375% in lieu of a portion of the City’s Sales Tax. The Credit PIF on Credit PIF Construction Activities expires in 2034 and Credit PIF on Credit PIF Retail Sales expires in 2044. The District’s Credit PIF on Credit PIF Construction Activities expires on residential units after 500 units are constructed in the District and the Excluded Property and has no expiration on the commercial development in the District and the Excluded Property.

Additionally, the PIF Covenant imposes a 3% Add-on PIF imposed on Add-On PIF Retail Sales transactions in the Excluded Property. The Add-On PIF is not in lieu of any portion of the City’s sales tax and is therefore in addition to sales taxes.

Expenditures

Administrative and Operating Expenses

Operating expenditures include the estimated services necessary to maintain all eight Districts’ administrative viability such as legal, accounting, insurance and other administrative expenses.

Transfers to District No. 3

The District collects Public Improvement Fees which is transferred over to District No. 3 as Pledged Revenue towards the 2021 Bonds issued by District No. 3.

**THE CANYONS METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District has no outstanding operating or capital leases.

The following is an analysis of the District's long-term obligations through the year ended December 31, 2022:

	Balance at December 31, 2020	Additions	Repayments	Balance at December 31, 2021	Additions*	Repayments*	Balance at December 31, 2022*
Developer Advances	\$ 296,951	\$ 50,500	\$ -	\$ 347,451	\$ 43,140	\$ -	\$ 390,591
	296,951	50,500	-	347,451	43,140	-	390,591
Accrued interest - Developer Advances	94,911	25,977	-	120,888	29,536	-	150,424
	94,911	25,977	-	120,888	29,536	-	150,424
	<u>\$ 391,862</u>	<u>\$ 76,477</u>	<u>\$ -</u>	<u>\$ 468,339</u>	<u>\$ 72,676</u>	<u>\$ -</u>	<u>\$ 541,015</u>
* Estimate							

Reserves

Emergency Reserve

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

This information is an integral part of the accompanying budget.

THE CANYONS METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**THE CANYONS METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/8/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	30,783	26,255	26,348
Specific ownership tax	2,655	2,578	2,108
Interest income	2	-	-
Total revenues	<u>33,440</u>	<u>28,833</u>	<u>28,456</u>
Total funds available	<u>33,440</u>	<u>28,833</u>	<u>28,456</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	462	394	395
Transfer to Canyons MD #1	32,978	28,439	28,061
Total expenditures	<u>33,440</u>	<u>28,833</u>	<u>28,456</u>
Total expenditures and transfers out requiring appropriation	<u>33,440</u>	<u>28,833</u>	<u>28,456</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance is provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/8/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Agricultural	\$ 8,870	\$ 5,600	\$ 4,550
State assessed	5,400	3,200	3,200
Personal property	431,200	371,700	374,100
Other	660	10	10
Certified Assessed Value	<u>\$ 446,130</u>	<u>\$ 380,510</u>	<u>\$ 381,860</u>
MILL LEVY			
General	69.000	69.000	69.000
Total mill levy	<u>69.000</u>	<u>69.000</u>	<u>69.000</u>
PROPERTY TAXES			
General	\$ 30,783	\$ 26,255	\$ 26,348
Levied property taxes	30,783	26,255	26,348
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ 30,783</u>	<u>\$ 26,255</u>	<u>\$ 26,348</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 30,783</u>	<u>\$ 26,255</u>	<u>\$ 26,348</u>
	<u>\$ 30,783</u>	<u>\$ 26,255</u>	<u>\$ 26,348</u>

No assurance is provided. See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado and the District operates in connection with District Nos. 1, 3, 4 and 8 - 11.

The District was formed by District Court Order on December 19, 2001, and held its organizational meeting on March 14, 2002. The relationship between the Service District and Financing Districts, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the development, will be established by means of a Master Intergovernmental Agreement between the applicable Districts as the project evolves.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$5,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$151,000,000 for the above listed facilities and an equal amount for refunding debt. The voters also authorized debt of \$5,000,000 for the costs of operating and maintaining the District's systems and \$10,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$100,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$100,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$2,260,000,000 for the above listed facilities and \$226,000,000 for refunding debt. The voters authorized debt of \$226,000,000 for the costs of operating and maintaining the District's systems and \$50,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The voters also authorized \$226,000,000 in debt for both Intergovernmental Agreements and Private Agreements. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

Pursuant to the Amended and Restated Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. This limit is to be adjusted for increases or decreases in the residential assessment ratio so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result. The adjustment only applies to the debt service portion of the mill levy.

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

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

**THE CANYONS METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

The District sets a mill levy for property taxes collectible to fund a portion of its operations. The calculation of the taxes levied is displayed the property tax page of the budget.

Specific Ownership Tax

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing with the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8% of the property taxes collected by the General Fund.

Expenditures

County Treasurer's Fees

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

Intergovernmental Expenditures

Intergovernmental expenditures are transfers to District No. 1 to provide funding for the overall administrative and operating costs for the District and Districts 1, 3 – 4 and 8 -11.

Debt and Leases

The District has no outstanding debt, nor any operating or capital leases.

Reserves

Emergency Reserves

District No. 1 has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for the District as defined under TABOR.

This information is an integral part of the accompanying budget.

THE CANYONS METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

THE CANYONS METROPOLITAN DISTRICT NO. 3
SUMMARY
2022 BUDGET
For the Years Ended and Ending December 31,

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ (29,981)	\$ 28,212,151
REVENUES			
Property taxes	-	17	66
Specific ownership taxes	-	1	5
Interest income	2	10	15,960
Developer advance	-	1,157,055	46,789
Bond issuance	183,000	31,270,000	-
Facilities fees	-	464,000	282,000
Transfers from District #1 - PIF	-	243,100	161,250
Promissory Note from Developer	-	195,741	-
Total revenues	<u>183,002</u>	<u>33,329,924</u>	<u>506,070</u>
TRANSFERS IN	<u>-</u>	<u>214,259</u>	<u>-</u>
Total funds available	<u>183,002</u>	<u>33,514,202</u>	<u>28,718,221</u>
EXPENDITURES			
General Fund	19,608	37,443	46,800
Debt Service Fund	-	410,000	1,150,534
Capital Projects Fund	193,375	4,640,349	7,522,000
Total expenditures	<u>212,983</u>	<u>5,087,792</u>	<u>8,719,334</u>
TRANSFERS OUT	<u>-</u>	<u>214,259</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>212,983</u>	<u>5,302,051</u>	<u>8,719,334</u>
ENDING FUND BALANCES	<u>\$ (29,981)</u>	<u>\$ 28,212,151</u>	<u>\$ 19,998,887</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>

No assurance provided. See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
For the Years Ended and Ending December 31,

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Agricultural	\$ -	\$ 310	\$ 1,230
Certified Assessed Value	<u>\$ -</u>	<u>\$ 310</u>	<u>\$ 1,230</u>
MILL LEVY			
General	0.000	9.000	9.000
Debt Service	0.000	45.000	45.000
Total Mill Levy	<u>0.000</u>	<u>54.000</u>	<u>54.000</u>
PROPERTY TAXES			
General	\$ -	\$ 3	\$ 11
Debt Service	-	14	55
Levied property taxes	<u>-</u>	<u>17</u>	<u>66</u>
Budgeted property taxes	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 66</u>
ASSESSED VALUATION - DEBT ONLY			
Agricultural	\$ -	\$ -	\$ 40
Certified Assessed Value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40</u>
MILL LEVY - DEBT ONLY			
Debt Service	0.000	0.000	0.000
Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
PROPERTY TAXES - DEBT ONLY			
Debt Service	\$ -	\$ -	\$ -
Levied property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED PROPERTY TAXES			
General	\$ -	\$ 3	\$ 11
Debt Service	-	14	55
Total	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 66</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2022 BUDGET
For the Years Ended and Ending December 31,**

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ (19,608)	\$ -
REVENUES			
Property taxes	-	3	11
Specific ownership taxes	-	-	1
Developer advance	-	57,048	46,789
Total revenues	<u>-</u>	<u>57,051</u>	<u>46,801</u>
Total funds available	<u>-</u>	<u>37,443</u>	<u>46,801</u>
EXPENDITURES			
General and administrative			
Accounting	4,406	15,000	16,500
Auditing	-	-	4,800
Dues	-	300	350
Election	-	-	2,000
Insurance and bonds	-	3,143	3,500
Legal	15,202	15,000	16,500
Miscellaneous	-	4,000	2,000
Contingency	-	-	1,150
Total expenditures	<u>19,608</u>	<u>37,443</u>	<u>46,800</u>
Total expenditures and transfers out	<u>19,608</u>	<u>37,443</u>	<u>46,800</u>
ENDING FUND BALANCE	<u>\$ (19,608)</u>	<u>\$ -</u>	<u>\$ 1</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>

No assurance provided. See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2022 BUDGET
For the Years Ended and Ending December 31,

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 707,115
REVENUES			
Property taxes	-	14	55
Specific ownership taxes	-	1	4
Interest income	-	-	110
Facilities fees	-	464,000	282,000
Transfers from District #1 - PIF	-	243,100	161,250
Promissory Note from Developer	-	195,741	-
Total revenues	-	902,856	443,419
TRANSFERS IN			
Transfers from other fund	-	214,259	-
Total funds available	-	1,117,115	1,150,534
EXPENDITURES			
General and administrative			
County Treasurer's fees	-	-	1
Debt Service			
Bond interest - Series 2020	-	12,741	-
Bond principal - Series 2020	-	183,000	-
Bond interest - Series 2021	-	-	1,150,533
Repayment of Promissory Note	-	195,741	-
Contingency	-	18,518	-
Total expenditures	-	410,000	1,150,534
Total expenditures and transfers out requiring appropriation	-	410,000	1,150,534
ENDING FUND BALANCE	\$ -	\$ 707,115	\$ -

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2022 BUDGET
For the Years Ended and Ending December 31,**

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ (10,373)	\$ 27,505,036
REVENUES			
Interest income	2	10	15,850
Developer advance	-	1,100,007	-
Bond issuance	183,000	31,270,000	-
Total revenues	<u>183,002</u>	<u>32,370,017</u>	<u>15,850</u>
Total funds available	<u>183,002</u>	<u>32,359,644</u>	<u>27,520,886</u>
EXPENDITURES			
General and Administrative			
Accounting	1,368	3,000	8,500
Legal	9,342	10,000	11,000
Capital Projects			
Engineering	-	2,000	2,500
Bond issuance costs	-	1,040,400	-
Repay developer advance	182,665	1,084,949	-
Capital outlay	-	2,500,000	7,500,000
Total expenditures	<u>193,375</u>	<u>4,640,349</u>	<u>7,522,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>214,259</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>193,375</u>	<u>4,854,608</u>	<u>7,522,000</u>
ENDING FUND BALANCE	<u>\$ (10,373)</u>	<u>\$ 27,505,036</u>	<u>\$ 19,998,886</u>

No assurance provided. See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 3
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado and the District operates in connection with District Nos. 1, 2, 4 and 8 - 11.

The District was formed by District Court Order on December 19, 2001, and held its organizational meeting on March 14, 2002. The relationship between the Service District and Financing Districts, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the development, will be established by means of a Master Intergovernmental Agreement between the applicable Districts as the project evolves.

On November 6, 2001, District voters approved authorization to increase property taxes up to \$5,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$151,000,000 for the above listed facilities and an equal amount for refunding debt. The voters also authorized debt of \$5,000,000 for the costs of operating and maintaining the District's systems and \$10,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$100,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$100,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$2,260,000,000 for the above listed facilities and \$226,000,000 for refunding debt. The voters authorized debt of \$226,000,000 for the costs of operating and maintaining the District's systems and \$50,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The voters also authorized \$226,000,000 in debt for both Intergovernmental Agreements and Private Agreements. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

Pursuant to the Amended and Restated Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. This limit is to be adjusted for increases or decreases in the residential assessment ratio so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result. The adjustment only applies to the debt service portion of the mill levy.

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

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

**THE CANYONS METROPOLITAN DISTRICT NO. 3
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

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

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected. The budget assumes that specific ownership taxes are allocated to the General Fund.

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures are to be funded by the Developer. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse others from bond proceeds and other available revenue.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.10%.

Facilities Fees

The District imposes a Facilities Fee in the amount of \$2,000 on each apartment unit, condo unit, and residential unit within the boundaries of the District and is reasonably related to the overall cost of providing the Facilities. The Facilities Fees are due and payable upon the issuance of a building permit for a residential unit.

Intergovernmental Revenue

The intergovernmental revenue represents transfers from District No. 1 of Pledged Net PIF Revenue as described in the details of the 2021 Bonds.

**THE CANYONS METROPOLITAN DISTRICT NO. 3
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

General and Administrative Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance and other administrative expenses.

County Treasurer's Collection Fees

County Treasurer's collection fees have been computed at 1.50% of property taxes.

Capital Outlay

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

Debt and Leases

The details of the District's general obligation bonds outstanding during 2022 are as follows:

Limited Tax General Obligation and Special Revenue Bonds, Series 2021 (the Bonds)

Details of the Bonds

On December 16, 2021, the District issued Limited Tax General Obligation and Special Revenue Bonds Series 2021. The proceeds of the Bonds will be used for purposes of (i) refunding the 2021 Note; (ii) paying a portion of the costs of capital infrastructure improvements or reimbursing the Developer for the advancement of those costs, to the extent of available proceeds; and (iii) paying costs of issuance of the Bonds. The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Rather, principal on the Bonds is payable annually on each December 1 from, and to the extent of Pledged Revenue on deposit, if any, in the Mandatory Redemption Account of the Bond Fund. The Bonds mature December 1, 2051, with an interest rate of 5.50% per annum payable annually on each December 1, but only from and to the extent of available Pledged Revenue.

To the extent principal of the Bonds is not paid when due, such principal shall remain outstanding until the earlier of its payment or the termination date of December 1, 2061, and shall continue to bear interest at the rate then borne by the Bonds. To the extent interest on any Bonds is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Bonds.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

**THE CANYONS METROPOLITAN DISTRICT NO. 3
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue, which means:

- (a) all Property Tax Revenues;
- (b) all Specific Ownership Tax Revenues (see Note 7)
- (c) all Excluded Property PILOT Revenues;
- (d) all Pledged Net PIF Revenues;
- (e) all Capital Fees;
- (f) any District No. 3 Discretionary PIF Revenues which the District determines, in its absolute discretion, to deposit with the Trustee for application as Pledged Revenue under the Indenture; and
- (g) any other legally available moneys which the District determines, in its absolute discretion, to credit the Bond Fund.

This forecast does not contemplate any District No. 3 Discretionary PIF Revenues and as a result no additional information is included herein with respect to such revenues.

Property Tax Revenues

“Property Tax Revenues” means all moneys derived from imposition by the District of the Required Mill Levy. Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County. (For the avoidance of doubt, Property Tax Revenues do not include specific ownership tax revenues.)

Required Mill Levy

Pursuant to the Indenture, the District has covenanted to levy, on all taxable property of the District, the “Required Mill Levy,” generally meaning, an ad valorem mill levy imposed upon all taxable property of the District each year in the amount of 45 mills, as adjusted, or such lesser mill levy that will generate Property Tax Revenues, which, when combined with moneys then on deposit in the Bond Fund, will pay the Bonds in full in the year such levy is collected.

**THE CANYONS METROPOLITAN DISTRICT NO. 3
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

In the event the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement is or was changed after January 1, 2020, the mill levy cap of 45 mills will be increased or decreased to reflect such changes so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

Excluded Property PILOT Revenue

Certain real property has been excluded from the District's boundaries. Pursuant to the Declaration of Covenants Concerning Payments in Lieu of Taxes to be recorded prior to the issuance of the Bonds, the owner of such excluded real property will make an annual \$100,000 Payment in Lieu of Taxes ("PILOT") to the District. The forecast assumes the annual PILOT payment to the District will increase 1% annually beginning in 2026.

Pledged Net PIF Revenue

As defined in the Indenture and the Pledge Agreement, "Pledged Net PIF Revenue" means the Gross PIF Revenues, net of any PIF Collection Costs (which shall be deducted monthly by District No. 1 from Gross PIF Revenues in accordance with the provisions of the Indenture).

"Gross PIF Revenue" means, collectively, the portions of revenue derived from the imposition of the following in accordance with the Declaration of Covenants Imposing and Implementing, The Canyonside at Castle Pines Public Improvement Fee recorded in the real property records of the County on April 22, 2021, as amended by the First Amendment thereto dated as of June 30, 2021 and recorded in the real property records of the County on July 1, 2021 (the "PIF Covenant"): (i) the Credit PIF, but solely to the extent derived from the following (and subject to the limitations of the Development Agreement): (a) Credit PIF Construction Activities occurring within, or otherwise relating to, property within the District and Excluded Property and collected prior to the Credit PIF Termination Date (as defined in the PIF Covenant), and (b) Credit PIF Retail Sales initiated, consummated conducted, transacted or otherwise occurring from or within the Excluded Property and collected prior to the Credit PIF Termination Date, and (ii) the Add-On PIF, but solely to the extent derived from Add-On PIF Retail Sales initiated, consummated, conducted, transacted or otherwise occurring from or within the Excluded Property and collected prior to the Add-On PIF Termination Date (as defined in the PIF Covenant).

The PIF Covenant imposes a Credit PIF on Credit PIF Construction Activities and a Credit PIF on Credit PIF Retail Sales of 1.375% in lieu of a portion of the City's Sales Tax. The Credit PIF on Credit PIF Construction Activities expires in 2034 and Credit PIF on Credit PIF Retail Sales expires in 2044. The District's Credit PIF on Credit PIF Construction Activities expires on residential units after 500 units are constructed in the District and the Excluded Property and has no expiration on the commercial development in the District and the Excluded Property. Additionally, the PIF Covenant imposes a 3% Add-on PIF imposed on Add-On PIF Retail Sales transactions in the Excluded Property. The Add-On PIF is not in lieu of any portion of the City's sales tax and is therefore in addition to sales taxes. As of the date of this forecast \$177,359 of Credit PIF on Credit PIF Construction Activities has been received, applied to the Bond Fund and subtracted from the projected Credit PIF on Credit PIF Construction Activities receivables in 2022.

**THE CANYONS METROPOLITAN DISTRICT NO. 3
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

The following is an analysis of the District’s long-term obligations through the year ended December 31, 2022:

	Balance at December 31, 2020	Additions	Repayments	Balance at December 31, 2021*	Additions*	Repayments*	Balance at December 31, 2022*
Developer Advances	\$ -	\$ 57,048	\$ -	\$ 57,048	\$ 46,789	\$ -	\$ 103,837
	-	57,048	-	57,048	46,789	-	103,837
Accrued interest - Developer Advances	-	2,929	-	2,929	7,632	-	10,561
	-	2,929	-	2,929	7,632	-	10,561
	\$ -	\$ 59,977	\$ -	\$ 59,977	\$ 54,421	\$ -	\$ 114,398
* Estimate							

Reserves

Emergency Reserves

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

This information is an integral part of the accompanying budget.

THE CANYONS METROPOLITAN DISTRICT NO. 4
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**THE CANYONS METROPOLITAN DISTRICT NO. 4
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/10/22

	ACTUAL 2020	BUDGET 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	1,730	1,726
Specific ownership taxes	-	170	138
Total revenues	<u>-</u>	<u>1,730</u>	<u>1,726</u>
Total funds available	<u>-</u>	<u>1,900</u>	<u>1,864</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	-	26	26
Transfer to Canyons MD #1	-	1,874	1,838
Total expenditures	<u>-</u>	<u>1,900</u>	<u>1,864</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>1,900</u>	<u>1,864</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance is provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 4
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/10/22

	ACTUAL 2020	BUDGET 2021	BUDGET 2022
ASSESSED VALUATION - DOUGLAS			
Agricultural	\$ 4,110	\$ 14,150	\$ 14,700
Other	-	720	720
State Assessed	-	10,200	9,600
Certified Assessed Value	<u>\$ 4,110</u>	<u>\$ 25,070</u>	<u>\$ 25,020</u>
MILL LEVY			
General	0.000	69.000	69.000
Total mill levy	<u>0.000</u>	<u>69.000</u>	<u>69.000</u>
PROPERTY TAXES			
General	\$ -	\$ 1,730	\$ 1,726
Levied property taxes	-	1,730	1,726
Budgeted property taxes	<u>\$ -</u>	<u>\$ 1,730</u>	<u>\$ 1,726</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ -</u>	<u>\$ 1,730</u>	<u>\$ 1,726</u>
	<u>\$ -</u>	<u>\$ 1,730</u>	<u>\$ 1,726</u>

No assurance is provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 4
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado and the District operates in connection with District Nos. 1 – 3 and 8 - 11.

The District was formed by District Court Order on December 19, 2001, and held its organizational meeting on March 14, 2002. The relationship between the Service District and Financing Districts, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the development, will be established by means of a Master Intergovernmental Agreement between the applicable Districts as the project evolves.

On November 6, 2001, District voters approved authorization to increase property taxes up to \$5,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$151,000,000 for the above listed facilities and an equal amount for refunding debt. The voters also authorized debt of \$5,000,000 for the costs of operating and maintaining the District's systems and \$10,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$100,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$100,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$2,260,000,000 for the above listed facilities and \$226,000,000 for refunding debt. The voters authorized debt of \$226,000,000 for the costs of operating and maintaining the District's systems and \$50,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The voters also authorized \$226,000,000 in debt for both Intergovernmental Agreements and Private Agreements. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

Pursuant to the Amended and Restated Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. This limit is to be adjusted for increases or decreases in the residential assessment ratio so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result. The adjustment only applies to the debt service portion of the mill levy.

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

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

**THE CANYONS METROPOLITAN DISTRICT NO. 4
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

The District sets a mill levy for property taxes collectible to fund a portion of its operations. The calculation of the taxes levied is displayed on the property tax page of the budget.

Specific Ownership Tax

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing with the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8% of the property taxes collected by the General Fund.

Expenditures

County Treasurer's Fees

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

Intergovernmental Expenditures

Intergovernmental expenditures are transfers to District No. 1 to provide funding for the overall administrative and operating costs for the District and Districts 1, 3 – 4 and 8 -11.

Debt and Leases

The District has no outstanding debt, nor any operating or capital leases.

Reserves

Emergency Reserve

District No. 1 has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for the District as defined under TABOR.

This information is an integral part of the accompanying budget.

THE CANYONS METROPOLITAN DISTRICT NO. 5
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**THE CANYONS METROPOLITAN DISTRICT NO. 5
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 13,618,918	\$ 7,001,326	\$ 6,905,294
REVENUES			
Property tax	399,599	841,387	1,404,762
Specific ownership tax	34,468	69,800	112,381
Interest income	55,288	2,715	6,900
Developer advance	83,441	67,795	67,988
Acceptance of reimbursable costs	22,208,406	17,737,736	15,299,200
Facilities fees	732,000	1,128,000	1,184,000
PIF revenue	496,159	950,000	1,102,719
Bond proceeds	17,219,454	9,012,546	-
Total revenues	<u>41,228,815</u>	<u>29,809,979</u>	<u>19,177,950</u>
TRANSFERS IN	<u>-</u>	<u>5,944</u>	<u>-</u>
Total funds available	<u>54,847,733</u>	<u>36,817,249</u>	<u>26,083,244</u>
EXPENDITURES			
General Fund	65,598	69,906	81,000
Debt Service Fund	2,913,492	3,064,123	3,773,800
Capital Projects Fund	44,867,317	26,771,982	15,322,950
Total expenditures	<u>47,846,407</u>	<u>29,906,011</u>	<u>19,177,750</u>
TRANSFERS OUT	<u>-</u>	<u>5,944</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>47,846,407</u>	<u>29,911,955</u>	<u>19,177,750</u>
ENDING FUND BALANCES	<u>\$ 7,001,326</u>	<u>\$ 6,905,294</u>	<u>\$ 6,905,494</u>
EMERGENCY RESERVE	\$ 400	\$ 700	\$ 1,200
RESERVE FUND	4,529,294	4,529,294	4,529,294
SURPLUS FUND	2,375,000	2,375,000	2,375,000
TOTAL RESERVE	<u>\$ 6,904,694</u>	<u>\$ 6,904,994</u>	<u>\$ 6,905,494</u>

No assurance provided. See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION - DOUGLAS			
Residential	\$ -	\$ 1,784,290	\$ 10,892,130
Commercial	-	183,810	-
Agricultural	7,920	8,100	7,460
Natural Resources	1,600	2,250	2,250
Vacant Land	8,725,250	16,101,460	19,102,940
State Assessed	-	700	700
Personal Property	20,100	353,480	771,690
Certified Assessed Value	<u>\$ 8,754,870</u>	<u>\$ 18,434,090</u>	<u>\$ 30,777,170</u>
 MILL LEVY			
General	1.112	1.112	1.112
Debt Service	44.531	44.531	44.531
Total mill levy	<u>45.643</u>	<u>45.643</u>	<u>45.643</u>
 PROPERTY TAXES			
General	\$ 9,735	\$ 20,499	\$ 34,224
Debt Service	389,863	820,888	1,370,538
Levied property taxes	<u>399,598</u>	<u>841,387</u>	<u>1,404,762</u>
Adjustments to actual/rounding	1	-	-
Budgeted property taxes	<u>\$ 399,599</u>	<u>\$ 841,387</u>	<u>\$ 1,404,762</u>
 BUDGETED PROPERTY TAXES			
General	\$ 9,735	\$ 20,499	\$ 34,224
Debt Service	389,864	820,888	1,370,538
	<u>\$ 399,599</u>	<u>\$ 841,387</u>	<u>\$ 1,404,762</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (7,337)	\$ 3,225	\$ 1,000
REVENUES			
Property tax	9,735	20,499	34,224
Specific ownership tax	841	1,800	2,738
Interest income	-	5	-
Developer advance	65,584	45,377	44,238
Total revenues	76,160	67,681	81,200
Total funds available	68,823	70,906	82,200
EXPENDITURES			
General and administrative			
Accounting	33,057	34,800	36,500
Auditing	4,500	4,700	4,700
County Treasurer's fee	146	307	513
Dues and licenses	314	319	400
Insurance and bonds	3,760	3,780	4,250
Legal services	22,286	25,000	27,500
Miscellaneous	950	1,000	1,500
Election expense	585	-	4,000
Contingency	-	-	1,637
Total expenditures	65,598	69,906	81,000
Total expenditures and transfers out requiring appropriation	65,598	69,906	81,000
ENDING FUND BALANCE	\$ 3,225	\$ 1,000	\$ 1,200
EMERGENCY RESERVE	\$ 400	\$ 700	\$ 1,200
TOTAL RESERVE	\$ 400	\$ 700	\$ 1,200

No assurance provided. See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 5
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/13/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 8,211,108	\$ 6,992,885	\$ 6,904,294
REVENUES			
Property tax	389,864	820,888	1,370,538
Specific ownership tax	33,627	68,000	109,643
Interest income	43,619	2,700	6,900
Facilities fees	732,000	1,128,000	1,184,000
PIF revenue	496,159	950,000	1,102,719
Total revenues	<u>1,695,269</u>	<u>2,969,588</u>	<u>3,773,800</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>5,944</u>	<u>-</u>
Total funds available	<u>9,906,377</u>	<u>9,968,417</u>	<u>10,678,094</u>
EXPENDITURES			
General and administrative			
Accounting	6,350	10,000	11,000
County Treasurer's fee	5,848	12,315	20,558
Paying agent fees	8,500	5,500	9,500
Debt Service			
Bond interest - Series 2017A	2,892,794	2,892,794	2,892,794
Bond interest - Series 2017B	-	143,514	839,948
Total expenditures	<u>2,913,492</u>	<u>3,064,123</u>	<u>3,773,800</u>
Total expenditures and transfers out requiring appropriation	<u>2,913,492</u>	<u>3,064,123</u>	<u>3,773,800</u>
ENDING FUND BALANCE	<u>\$ 6,992,885</u>	<u>\$ 6,904,294</u>	<u>\$ 6,904,294</u>
RESERVE FUND	\$ 4,529,294	\$ 4,529,294	\$ 4,529,294
SURPLUS FUND	2,375,000	2,375,000	2,375,000
TOTAL RESERVE	<u>\$ 6,904,294</u>	<u>\$ 6,904,294</u>	<u>\$ 6,904,294</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 5,415,147	\$ 5,216	\$ -
REVENUES			
Interest income	11,669	10	-
Developer advance	17,857	22,418	23,750
Acceptance of reimbursable costs	22,208,406	17,737,736	15,299,200
Bond proceeds	17,219,454	9,012,546	-
Total revenues	39,457,386	26,772,710	15,322,950
Total funds available	44,872,533	26,777,926	15,322,950
EXPENDITURES			
General and Administrative			
Accounting	5,393	5,200	5,750
Legal services	3,464	16,500	18,000
Capital Projects			
Repay Developer advance	2,750	16,698	-
Repay interest	266,448	84,851	-
Recognition of costs	22,208,406	17,737,736	15,299,200
Repayment of reimbursable costs	22,208,406	8,910,997	-
Bond issue costs	172,450	-	-
Total expenditures	44,867,317	26,771,982	15,322,950
TRANSFERS OUT			
Transfers to other fund	-	5,944	-
Total expenditures and transfers out requiring appropriation	44,867,317	26,777,926	15,322,950
ENDING FUND BALANCE	\$ 5,216	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado and the District operates in connection with Districts Nos. 1 - 4 and 6 - 11.

The District was formed by District Court Order on June 4, 2010, and held its organizational meeting on December 6, 2010. The relationship between the District No. 5, District No. 6, and District No. 7, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the property are outlined in the Master Reimbursement Agreement executed December 29, 2015 by the District and District Nos. 6 and 7.

May 4, 2010, District voters approved authorization to increase property taxes up to \$100,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$100,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$1,300,000,000 for the above listed facilities and \$100,000,000 for refunding debt. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$226,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$226,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$2,260,000,000 for the above listed facilities and \$226,000,000 for refunding debt. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

Pursuant to the Amended and Restated Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. This limit is to be adjusted for increases or decreases in the residential assessment ratio (for the debt portion of the mill levy only) so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result.

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

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

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures are to be partially funded by the Developer. Advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse from available revenue.

Property Taxes

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

The calculation of the taxes levied is displayed on the property tax page of the Budget and is pursuant to the Master Reimbursement Agreement. Collectively, Districts Nos. 5, 6, and 7 are permitted to levy 69.000 mills, subject to being adjusted for changes in the assessment ration which brings the total mill levy for all three districts to 76.812 mills. The total adopted mill levy is shown on the Property Tax Summary page of the budget.

Specific Ownership Tax

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing with the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.10%.

Facilities Fees

The District imposes a Facilities Fee in the amount of \$4,000 on each residential lot within the boundaries of the District. Such fees are allowed to increase the lesser of 5% annually or the percentage increase in the Denver-Boulder Consumer price index percentage increase for the prior year, effective January 1, 2017. The Facilities Fees are due and payable on the earlier to occur of (i) the initial transfer of a residential lot to a third party builder or (ii) the issuance of a building permit for a residential unit.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Public Improvement Fee (PIF)

The Mixed-Use Owner has imposed a Public Improvement Fee (“PIF”) through the Declaration of Covenants Imposing And Implementing The North Canyons Public Improvements Fee (“PIF Covenant”). The PIF rate applicable to Construction Activities is 50% of the applicable Use Tax rate pursuant to the City’s Sales/Use Tax Ordinance. Construction Activities is defined in the PIF Covenant as the use of building and construction materials for incorporation into the construction of any new building. Eighty percent (80%) of the PIF Revenue is collected by the District and pledged to the payment of the 2017 and 2016 Bonds. The PIF is due prior to obtaining a building permit.

Expenditures

County Treasurer’s Fees

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

General and Administrative

General and administrative expenditures have been provided based on estimates of the District’s Board of Directors and consultants and include the services necessary to maintain the District’s administrative viability such as accounting, legal, insurance, and other administrative expenditures.

Debt Service

Interest payments are provided based on the attached debt to maturity schedule for the Series 2017A bonds.

The District anticipates an interest payment on the Series 2017B bonds. A debt to maturity schedule is not attached due to the cash flow nature of these Bonds.

Capital Outlay

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

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Series 2017A Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds

On May 24, 2017 the District issued \$47,500,000 of Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds. The proceeds from the sale of the 2017A Bonds were used to:

- (a) finance the acquisition, construction, and installation of certain public improvements;
- (b) refund the outstanding balance on the 2016 Bonds (defined below);
- (c) fund the Capitalized Interest Fund;
- (d) fund the Senior Reserve Fund; and
- (e) pay the costs of issuing the Bonds.

The Series 2017A Bonds bear interest at rates ranging from 6.000% to 6.125%, payable semi-annually on June 1 and December 1 each year, to the extent of Senior Pledged Revenue available therefor, beginning on December 1, 2017. Annual mandatory sinking fund principal payments on the Series 2017A Bonds are due on December 1, beginning on December 1, 2026. The Series 2017A Bonds mature on December 1, 2047.

The Series 2017A Bonds are secured by and payable solely from and to the extent of the Senior Pledged Revenue, net of any costs of collection, which is defined generally in the 2017A Indenture as:

- (a) the Senior Property Tax Revenues;
- (b) the Senior Specific Ownership Tax Revenues attributable to the Senior Required Mill Levy;
- (c) Capital Fees, including particularly and without limitation, the Facilities Fees;
- (d) Pledged PIF Revenues; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Pledged Revenue that is not needed to pay debt service on the Series 2017A Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$2,375,000. The Senior Surplus Fund is established and held as an account of the Trustee, and moneys therein are to be used solely for the purpose of paying the principal of and interest on the Series 2017A Bonds to the extent the moneys in the Senior Bond Fund are insufficient for such purpose. Amounts on deposit in the Senior Surplus Fund (if any) on the maturity date of the Series 2017A Bonds shall be applied to the payment of the Series 2017A Bonds.

The Series 2017A Bonds are further secured by amounts on deposit in the Senior Reserve Fund, which was funded with proceeds from the Series 2017A Bonds in the amount of the Required Reserve of \$4,529,294.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The Series 2017A Indenture provides a Senior Required Mill Levy be imposed in an amount sufficient to pay the principal of, premium if any, and interest on the Series 2017A Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund and, solely to the extent provided in the Senior Indenture, the Senior Surplus Fund and the Senior Reserve Fund) and to replenish the Senior Reserve Fund to the Senior Reserve Requirement, but not in excess of 40 mills (as adjusted). For so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 40 mills (as adjusted to 44.531), or such lesser amount that will generate Senior Property Tax Revenues (i) sufficient to pay the principal of, premium if any, and interest on the Series 2017A.

Bonds as the same become due and payable, and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (ii) which, when combined with moneys then on deposit in the Senior Bond Fund, the Senior Surplus Fund and the Senior Reserve Fund, will pay the Series 2017A Bonds in full. Such maximum and minimum mill levies are subject to adjustment per changes in the residential assessment rate.

Series 2017B Subordinate Limited Tax General Obligation and Special Revenue Bonds

On May 24, 2017 the District issued \$11,925,000 of Limited Tax General Obligation and Special Revenue Bonds. The proceeds from the sale of the Series 2017B Bonds were used to finance the acquisition, construction, and installation of certain public improvements.

The Series 2017B Bonds bear an interest rate of 8.00% per annum and payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The Series 2017B Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest thereof prior to the final maturity date. Rather, principal on the Series 2017B Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Subordinate Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2017B Bonds on December 15 of the then current year. Unpaid interest on the 2017B Bonds compounds annually on each December 15.

In the event that, on December 15, 2057 any amount of principal of or interest on the Series 2017B Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor in accordance with the Subordinate Indenture, the Series 2017B Bonds and the lien of the Subordinate Indenture securing payment thereof is to be deemed discharged.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The Series 2017B Bonds are secured by and payable solely from the following sources, net of any costs of collection, to the extent not previously deducted by definition, (the "Subordinate Pledged Revenue"):

- (a) all Subordinate Property Tax Revenues;
- (b) all Subordinate Specific Ownership Tax Revenues attributable to the Subordinate Required Mill Levy;
- (c) all Subordinate Capital Fee Revenue, including particularly and without limitation, the Facilities Fees;
- (d) all Subordinate PIF Revenue; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Pursuant to the Series 2017B Indenture, the District has further covenanted to levy a Subordinate Required Mill Levy each year in the amount equal to (i) 40 mills (as adjusted from January 1, 2009 to 44.531) less the Senior Required Mill Levy, or (ii) such lesser amount that will generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2017B Bonds in full.

Series 2016 Limited Tax General Obligation and Special Revenue Bonds

The District previously authorized its Limited Tax General Obligation and Special Revenue Bonds, Series 2016, in the aggregate principal amount of up to \$68,664,991 and, of such amount, the District has issued \$1,535,003 in aggregate principal amount. The Series 2016 Bonds were authorized to be issued from time to time in accordance with an Indenture of Trust between the District and UMB Bank, n.a., as trustee thereunder (the "2016 Trustee") dated as of November 1, 2016, as amended by the First Supplemental Indenture of Trust between the District and the 2016 Trustee dated as of May 25, 2017 (the "2016 First Supplement"), and as further amended by the Second Supplemental Indenture of Trust between the District and the 2016 Trustee dated as of September 29, 2020 (the "2016 Second Supplement" and, as supplemented, the "2016 Indenture").

Proceeds of the Series 2017A Bonds will be used to refund the outstanding balance of the Series 2016 Bonds in the principal amount of \$1,535,003. The 2016 First Supplement decreased the total authorized principal amount of the Series 2016 Bonds from \$68,664,991 to \$11,485,003 based on the then-anticipated residential development within the District. In 2020, the District was advised of changes to the anticipated residential development within the District which allowed the District to increase the amount of the Series 2016 Bonds that can be reasonably expected to be repaid from Pledged Revenue. The District entered into the 2016 Second Supplement to increase the total authorized aggregate principal amount to \$27,767,003 (including the previously issued bonds), to add a discharge provision to occur on December 15, 2067, and to allow additional draws to occur for a three year period.

THE CANYONS METROPOLITAN DISTRICT NO. 5
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

The 2016 Indenture and related documents allow additional draws on the Series 2016 Bonds of up to \$26,232,000 in aggregate principal amount for the purpose of paying the Original Landowner amounts due pursuant to the District's Reimbursement Obligation under the Master Reimbursement Agreement to the extent proceeds of the Series 2017A and 2017B Bonds are insufficient for such purpose. On May 11, 2020, the District issued \$9,950,000 of principal and on September 29, 2020, the District issued \$4,060,000 of principal, which has resulted in an authorized and unissued aggregate principal balance of \$12,222,000. Repayment of the Series 2016 Bonds is fully subordinate and junior to the payment of the 2017A Bonds and the 2017B Bonds.

The Series 2016 Bonds bear an interest rate of 7.00% per annum and are payable annually on December 15, but only to the extent of available Pledged Revenue. The Series 2016 Bonds mature on December 15, 2057. The Series 2016 Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Rather, principal on the Series 2016 Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2016 Bonds on December 15 of the then current year. Unpaid interest on the Series 2016 Bonds compounds annually on each December 15.

In the event that, on December 15, 2067, any amount of principal or interest on the Series 2016 Bonds remains unpaid after application of all Pledged Revenue available therefor in accordance with the 2016 Indenture, the Series 2016 Bonds and the lien of the 2016 Indenture securing payment thereof is to be deemed discharged.

The Series 2016 Bonds are subject to optional redemption, prior to maturity, at the option of the District, on any date upon payment of par, and accrued interest, without redemption premium.

The Series 2016 Bonds are secured by and payable solely from and to the extent of the Pledged Revenue, net of any costs of collection, which is defined generally in the 2016 Indenture as the following, net of any costs of collection:

- (a) all Property Tax Revenues;
- (b) all Specific Ownership Tax Revenues;
- (c) all Capital Fees;
- (d) all Pledged PIF Revenues;
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the 2016 Bond Fund; and
- (f) to the extent not included in the foregoing, any other revenues pledged to the payment of Senior Obligations after deduction of any amount applied to the payment of any Senior Obligation Annual Debt Service Requirements.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Property Tax Revenues means all moneys derived from imposition by the District of the 2016 Bond Required Mill Levy and excludes Specific Ownership Tax Revenues. Property Tax Revenues are net of the costs of collection and any tax refunds or abatement authorized by or on behalf of the County.

Pursuant to the 2016 Indenture, the District has covenanted to impose a 2016 Bond Required Mill Levy upon all taxable property of the District in an amount equal to 40 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2009, but in no event in excess of 50 mills (without adjustment)) less the then applicable Senior Required Mill Levy. The Series 2017A Bonds and Series 2017B Bonds constitute Senior Obligations under the 2016 Indenture.

The District has no operating or capital leases.

Reserves

Emergency Reserves

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

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the Series 2017A Bonds.

This information is an integral part of the accompanying budget.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
SCHEDULE OF DEBT SERVICE CASH REQUIREMENTS TO MATURITY**

\$47,500,000

General Obligation and Refunding and Improvement Bonds , Series 2017A

Interest Rate 6.000% to 6.125% per annum

Interest Payable on June 1 and December 1

Principal Payable December 1

Dated May 24, 2017

Bonds and Interest Maturing in the Year Ending December 31,	Principal	Interest	Total
2022	\$ -	\$ 2,892,794	\$ 2,892,794
2023	-	2,892,794	2,892,794
2024	-	2,892,794	2,892,794
2025	-	2,892,794	2,892,794
2026	20,000	2,892,794	2,912,794
2027	260,000	2,891,594	3,151,594
2028	560,000	2,875,994	3,435,994
2029	800,000	2,842,394	3,642,394
2030	1,040,000	2,794,394	3,834,394
2031	1,135,000	2,731,994	3,866,994
2032	1,280,000	2,663,894	3,943,894
2033	1,360,000	2,587,094	3,947,094
2034	1,520,000	2,505,494	4,025,494
2035	1,610,000	2,414,294	4,024,294
2036	1,785,000	2,317,694	4,102,694
2037	1,895,000	2,210,594	4,105,594
2038	2,090,000	2,096,894	4,186,894
2039	2,220,000	1,968,881	4,188,881
2040	2,440,000	1,832,906	4,272,906
2041	2,585,000	1,683,456	4,268,456
2042	2,830,000	1,525,125	4,355,125
2043	3,005,000	1,351,788	4,356,788
2044	3,275,000	1,167,731	4,442,731
2045	3,475,000	967,138	4,442,138
2046	3,775,000	754,294	4,529,294
2047	8,540,000	523,075	9,063,075
	<u>\$ 47,500,000</u>	<u>\$ 57,170,692</u>	<u>\$ 104,670,692</u>

**The Canyons Metropolitan District No. 5
Schedule of Long-Term Obligations**

	Balance at December 31, 2020	Additions*	Repayments*	Balance at December 31, 2021*	Additions*	Repayments*	Balance at December 31, 2022*
Limited Tax GO and Special Revenue Refunding and Improvement Bonds Series 2017A - Principal	\$ 47,500,000	\$ -	\$ -	\$ 47,500,000	\$ -	\$ -	\$ 47,500,000
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - Principal	11,925,000	-	-	11,925,000	-	-	11,925,000
Discount on Series 2017	(399,048)	-	-	(399,048)	-	-	(399,048)
Limited Tax GO and Special Revenue Bonds Series 2016 - Principal	17,219,454	-	-	17,219,454	-	-	17,219,454
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - Interest	3,764,713	1,255,177	143,514	4,876,376	1,327,959	839,948	5,364,387
Limited Tax GO and Special Revenue Bonds Series 2016 - Interest	545,977	1,764,753	-	2,310,730	1,105,688	-	3,416,418
Total Bonds Payable	80,556,096	3,019,930	143,514	83,432,512	2,433,647	839,948	85,026,211
Developer Advances - Operations - Principal	195,820	45,377	-	241,197	44,238	-	285,435
Developer Advances - Operations - Interest	22,037	13,919	-	35,956	16,770	-	52,726
Developer Advances - Capital - Principal	15,107	22,418	-	37,525	23,750	-	61,275
Developer Advances - Capital - Interest	389	1,308	-	1,697	3,219	-	4,916
Public Improvement Reimbursement Agreement	-	17,737,736	8,910,997	8,826,739	17,330,000	-	26,156,739
Public Improvement Reimbursement Agreement - Interest	-	110,000	84,851	25,149	175,000	-	200,149
Total Developer Advance Payable	233,353	17,930,758	8,995,848	9,168,263	17,592,977	-	26,761,240
Total	\$ 80,789,449	\$ 20,950,688	\$ 9,139,362	\$ 92,600,775	\$ 20,026,624	\$ 839,948	\$ 111,787,451

* Estimate

THE CANYONS METROPOLITAN DISTRICT NO. 6
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**THE CANYONS METROPOLITAN DISTRICT NO. 6
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 3,326,766	\$ 1,728,552	\$ 1,688,863
REVENUES			
Property taxes	107,194	225,707	376,836
Specific ownership tax	9,246	22,294	30,148
Interest income	13,493	860	1,700
Developer advance	64,760	50,441	55,554
Facilities fees	183,000	231,000	295,000
Acceptance of reimbursable costs	5,552,101	3,596,631	3,824,800
PIF revenue	124,040	235,666	275,680
Bond proceeds	4,400,363	2,201,637	-
Total revenues	<u>10,454,197</u>	<u>6,564,236</u>	<u>4,859,718</u>
Total funds available	<u>13,780,963</u>	<u>8,297,130</u>	<u>6,548,581</u>
EXPENDITURES			
General Fund	56,507	59,341	71,000
Debt Service Fund	734,300	735,316	901,850
Capital Projects Fund	11,261,604	5,809,268	3,846,800
Total expenditures	<u>12,052,411</u>	<u>6,603,925</u>	<u>4,819,650</u>
Total expenditures and transfers out requiring appropriation	<u>12,052,411</u>	<u>6,608,267</u>	<u>4,819,650</u>
ENDING FUND BALANCES	<u>\$ 1,728,552</u>	<u>\$ 1,688,863</u>	<u>\$ 1,728,931</u>
EMERGENCY RESERVE	\$ 300	\$ 700	\$ 1,200
RESERVE FUND	1,127,731	1,127,731	1,127,731
SURPLUS FUND	597,428	559,448	600,000
TOTAL RESERVE	<u>\$ 1,725,459</u>	<u>\$ 1,687,879</u>	<u>\$ 1,728,931</u>

No assurance provided. See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 6
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Residential	\$ -	\$ 1,784,290	\$ 10,892,130
Commercial	-	183,810	-
Agricultural	7,910	8,090	7,450
State assessed	-	700	700
Vacant land	8,725,250	16,101,460	19,102,940
Personal property	20,100	353,480	771,690
Natural resources	1,600	2,250	2,250
Certified Assessed Value	<u>\$ 8,754,860</u>	<u>\$ 18,434,080</u>	<u>\$ 30,777,160</u>
MILL LEVY			
General	1.112	1.112	1.112
Debt Service	11.132	11.132	11.132
Total mill levy	<u>12.244</u>	<u>12.244</u>	<u>12.244</u>
PROPERTY TAXES			
General	\$ 9,735	\$ 20,499	\$ 34,224
Debt Service	97,459	205,208	342,612
Levied property taxes	107,194	225,707	376,836
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ 107,194</u>	<u>\$ 225,707</u>	<u>\$ 376,836</u>
BUDGETED PROPERTY TAXES			
General	\$ 9,735	\$ 20,499	\$ 34,224
Debt Service	97,459	205,208	342,612
	<u>\$ 107,194</u>	<u>\$ 225,707</u>	<u>\$ 376,836</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (6,729)	\$ (628)	\$ 1,000
REVENUES			
Property taxes	9,735	20,499	34,224
Specific ownership tax	845	2,024	2,738
Interest income	-	5	-
Developer advance	52,028	38,441	34,238
Total revenues	62,608	60,969	71,200
Total funds available	55,879	60,341	72,200
EXPENDITURES			
General and administrative			
Accounting	27,018	28,500	31,400
Auditing	5,000	5,200	5,200
County Treasurer's fee	146	306	513
Dues and licenses	309	311	350
Insurance and bonds	2,510	2,524	2,800
Legal services	19,760	22,000	24,500
Miscellaneous	952	500	1,000
Election expense	812	-	4,000
Contingency	-	-	1,237
Total expenditures	56,507	59,341	71,000
Total expenditures and transfers out requiring appropriation	56,507	59,341	71,000
ENDING FUND BALANCE	\$ (628)	\$ 1,000	\$ 1,200
EMERGENCY RESERVE	\$ 300	\$ 700	\$ 1,200
TOTAL RESERVE	\$ 300	\$ 700	\$ 1,200

No assurance provided. See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 6
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/13/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 2,035,749	\$ 1,725,159	\$ 1,687,179
REVENUES			
Property taxes	97,459	205,208	342,612
Specific ownership tax	8,401	20,270	27,410
Interest income	10,810	850	1,700
Facilities fees	183,000	231,000	295,000
PIF revenue	124,040	235,666	275,680
Total revenues	423,710	692,994	942,402
TRANSFERS IN			
Transfers from other funds	-	4,342	-
Total funds available	2,459,459	2,422,495	2,629,581
EXPENDITURES			
General and administrative			
Accounting	1,588	4,000	4,400
County Treasurer's fee	1,462	3,066	5,140
Paying agent fees	8,500	5,500	9,500
Debt Service			
Bond interest - Series 2017A	722,750	722,750	722,750
Bond interest - Series 2017B	-	-	160,060
Total expenditures	734,300	735,316	901,850
Total expenditures and transfers out requiring appropriation	734,300	735,316	901,850
ENDING FUND BALANCE	\$ 1,725,159	\$ 1,687,179	\$ 1,727,731
RESERVE FUND	\$ 1,127,731	\$ 1,127,731	\$ 1,127,731
SURPLUS FUND	597,428	559,448	600,000
TOTAL RESERVE	\$ 1,725,159	\$ 1,687,179	\$ 1,727,731

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 1,297,746	\$ 4,021	\$ 684
REVENUES			
Interest income	2,683	5	-
Developer advance	12,732	12,000	21,316
Bond proceeds	4,400,363	2,201,637	-
Acceptance of reimbursable costs	5,552,101	3,596,631	3,824,800
Total revenues	9,967,879	5,810,273	3,846,116
Total funds available	11,265,625	5,814,294	3,846,800
EXPENDITURES			
General and Administrative			
Accounting	2,336	5,000	5,500
Legal services	3,648	15,000	16,500
Capital Projects			
Bond issue costs	83,591	-	-
Repay developer advance	-	14,173	-
Repay Developer Advance Interest	67,827	21,708	-
Repayment of reimbursable costs	5,552,101	2,156,756	-
Recognition of costs	5,552,101	3,596,631	3,824,800
Total expenditures	11,261,604	5,809,268	3,846,800
TRANSFERS OUT			
Transfers to other fund	-	4,342	-
Total expenditures and transfers out requiring appropriation	11,261,604	5,813,610	3,846,800
ENDING FUND BALANCE	\$ 4,021	\$ 684	\$ -

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado and the District operates in connection with Districts Nos. 1 - 5 and 7 - 11.

The District was formed by District Court Order on June 4, 2010, and held its organizational meeting on December 6, 2010. The relationship between District No. 5, District No, 6, and District No. 7, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the property are outlined in the Master Reimbursement Agreement executed December 29, 2015 by the District and District Nos. 5 and 7.

On May 4, 2010, District voters approved authorization to increase property taxes up to \$100,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$100,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$1,300,000,000 for the above listed facilities and \$100,000,000 for refunding debt. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$226,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$226,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$2,260,000,000 for the above listed facilities and \$226,000,000 for refunding debt. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

Pursuant to the Amended and Restated Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. This limit is to be adjusted for increases or decreases in the residential assessment ratio (for the debt portion of the mill levy only) so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result.

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

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

**THE CANYONS METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures are to be partially funded by the Developer. Advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse from available revenue.

Property Taxes

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

The calculation of the taxes levied is displayed on the property tax page of the Budget and is pursuant to the Master Reimbursement Agreement. Collectively, Districts Nos. 5, 6, and 7 are permitted to levy 69.000 mills, subject to being adjusted for changes in the assessment ration which brings the total mill levy for all three districts to 76.812 mills. The total adopted mill levy is shown on the Property Tax Summary page of the budget.

Specific Ownership Tax

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing with the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.10%.

Facilities Fees

The District imposes a Facilities Fee in the amount of \$1,000 on each residential lot within the boundaries of the District. Such fees are allowed to increase the lesser of 5% annually or the percentage increase in the Denver-Boulder Consumer price index percentage increase for the prior year, effective January 1, 2017. The Facilities Fees are due and payable on the earlier to occur of (i) the initial transfer of a residential lot to a third party builder or (ii) the issuance of a building permit for a residential unit.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Public Improvement Fee (PIF)

The Mixed-Use Owner has imposed a Public Improvement Fee (“PIF”) through the Declaration of Covenants Imposing And Implementing The North Canyons Public Improvements Fee (“PIF Covenant”). The PIF rate applicable to Construction Activities is 50% of the applicable Use Tax rate pursuant to the City’s Sales/Use Tax Ordinance. Construction Activities is defined in the PIF Covenant as the use of building and construction materials for incorporation into the construction of any new building. Twenty percent (20%) of the PIF Revenue is collected by the District and pledged to the payment of the 2016 and 2017 Bonds. The PIF is due prior to obtaining a building permit.

Expenditures

County Treasurer’s Fees

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

General and Administrative Expenditures

General and administrative expenditures have been provided based on estimates of the District’s Board of Directors and consultants and include the services necessary to maintain the District’s administrative viability such as accounting, legal, insurance, and other administrative expenditures.

Debt Service

Interest payments are provided based on the attached debt to maturity schedule for the Series 2017A bonds.

The District anticipates making an interest payment on the Series 2017B bonds. A debt to maturity schedule is not attached due to the cash flow nature of these bonds.

Capital Outlay

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

**THE CANYONS METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Series 2017A Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds

On May 24, 2017 the District issued \$11,800,000 of Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds. The proceeds from the sale of the 2017A Bonds were used to:

- (a) finance the acquisition, construction, and installation of certain public improvements;
- (b) refund the outstanding balance on the 2016 Bonds (defined below);
- (c) fund the Capitalized Interest Fund;
- (d) fund the Senior Reserve Fund; and
- (e) pay the costs of issuing the Bonds.

The Series 2017A Bonds bear interest at rates ranging from 6.000% to 6.125%, payable semi-annually on June 1 and December 1 each year, to the extent of Senior Pledged Revenue available therefor, beginning on December 1, 2017. Annual mandatory sinking fund principal payments on the Series 2017A Bonds are due on December 1, beginning on December 1, 2026. The Series 2017A Bonds mature on December 1, 2047.

The Series 2017A Bonds are secured by and payable solely from and to the extent of the Senior Pledged Revenue, net of any costs of collection, which is defined generally in the 2017A Indenture as:

- (a) the Senior Property Tax Revenues;
- (b) the Senior Specific Ownership Tax Revenues attributable to the Senior Required Mill Levy;
- (c) Capital Fees, including particularly and without limitation, the Facilities Fees;
- (d) Pledged PIF Revenues; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Pledged Revenue that is not needed to pay debt service on the Series 2017A Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$600,000. The Senior Surplus Fund is established and held as an account of the Trustee, and moneys therein are to be used solely for the purpose of paying the principal of and interest on the Series 2017A Bonds to the extent the moneys in the Senior Bond Fund are insufficient for such purpose. Amounts on deposit in the Senior Surplus Fund (if any) on the maturity date of the Series 2017A Bonds shall be applied to the payment of the Series 2017A Bonds.

The Series 2017A Bonds are further secured by amounts on deposit in the Senior Reserve Fund, which was funded with proceeds from the Series 2017A Bonds in the amount of the Required Reserve of \$1,127,731.

THE CANYONS METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

The Series 2017A Indenture provides a Senior Required Mill Levy be imposed in an amount sufficient to pay the principal of, premium if any, and interest on the Series 2017A Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund and, solely to the extent provided in the Senior Indenture, the Senior Surplus Fund and the Senior Reserve Fund) and to replenish the Senior Reserve Fund to the Senior Reserve Requirement, but not in excess of 10 mills (as adjusted). For so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 10 mills (as adjusted to 11.132), or such lesser amount that will generate Senior Property Tax

Revenues (i) sufficient to pay the principal of, premium if any, and interest on the Series 2017A Bonds as the same become due and payable, and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (ii) which, when combined with moneys then on deposit in the Senior Bond Fund, the Senior Surplus Fund and the Senior Reserve Fund, will pay the Series 2017A Bonds in full. Such maximum and minimum mill levies are subject to adjustment per changes in the residential assessment rate.

Series 2017B Subordinate Limited Tax General Obligation and Special Revenue Bonds

On May 24, 2017 the District issued \$2,997,000 of Limited Tax General Obligation and Special Revenue Bonds. The proceeds from the sale of the Series 2017B Bonds were used to finance the acquisition, construction, and installation of certain public improvements.

The Series 2017B Bonds bear an interest rate of 8.00% per annum and payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The Series 2017B Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest thereof prior to the final maturity date. Rather, principal on the Series 2017B Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Subordinate Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2017B Bonds on December 15 of the then current year. Unpaid interest on the 2017B Bonds compounds annually on each December 15.

In the event that, on December 15, 2057 any amount of principal of or interest on the Series 2017B Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor in accordance with the Subordinate Indenture, the Series 2017B Bonds and the lien of the Subordinate Indenture securing payment thereof is to be deemed discharged.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The Series 2017B Bonds are secured by and payable solely from the following sources, net of any costs of collection, to the extent not previously deducted by definition, (the “Subordinate Pledged Revenue”):

- (a) all Subordinate Property Tax Revenues;
- (b) all Subordinate Specific Ownership Tax Revenues attributable to the Subordinate Required Mill Levy;
- (c) all Subordinate Capital Fee Revenue, including particularly and without limitation, the Facilities Fees;
- (d) all Subordinate PIF Revenue; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Pursuant to the Series 2017B Indenture, the District has further covenanted to levy a Subordinate Required Mill Levy each year in the amount equal to (i) 10 mills (as adjusted from January 1, 2009 to 11.132) less the Senior Required Mill Levy, or (ii) such lesser amount that will generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2017B Bonds in full.

Series 2016 Limited Tax General Obligation and Special Revenue Bonds

The District previously authorized its Limited Tax General Obligation and Special Revenue Bonds, Series 2016, in the aggregate principal amount of up to \$17,107,520 and, of such amount, the District has issued \$309,339 in aggregate principal amount. The Series 2016 Bonds were authorized to be issued from time to time in accordance with an Indenture of Trust between the District and UMB Bank, n.a., as trustee thereunder (the “2016 Trustee”) dated as of November 1, 2016, as amended by the First Supplemental Indenture of Trust between the District and the 2016 Trustee dated as of May 25, 2017 (the “2016 First Supplement”) and as further amended by the Second Supplemental Indenture of Trust between the District and the 2016 Trustee dated as of September 29, 2020 (the “2016 Second Supplement” and, as supplemented, the “2016 Indenture”).

Proceeds of the Series 2017A Bonds were used to refund the outstanding balance of the Series 2016 Bonds in the principal amount of \$309,339. The 2016 First Supplement decreased the total authorized principal amount of the Series 2016 Bonds from \$17,107,520 to \$2,794,339 based on the then-anticipated residential development within the District. In 2020, the District was advised of changes to the anticipated residential development within the District which allowed the District to increase the amount of the Series 2016 Bonds that can be reasonably expected to be repaid from Pledged Revenue. The District entered into the 2016 Second Supplement to increase the total authorized aggregate principal amount to \$6,911,339 (including the previously issued bonds), to add a discharge provision to occur on December 15, 2067, and to allow additional draws to occur for a three year period, through September 29, 2023.

THE CANYONS METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

The 2016 Indenture and related documents allow for additional draws on the 2016 Bonds of up to \$6,602,000 in aggregate principal amount for the purpose of paying the Original Landowner amounts due pursuant to the District's Reimbursement Obligation under the Master Reimbursement Agreement to the extent proceeds of the Series 2017A and 2017B Bonds are insufficient for such purpose. On May 11, 2020, the District issued \$2,485,000 of principal and on September 29, 2020, the District issued \$1,113,000 of principal, which has resulted in an authorized and unissued aggregate principal balance of \$3,004,000. Repayment of the Series 2016 Bonds is fully subordinate and junior to the payment of the 2017A Bonds and the 2017B Bonds.

The Series 2016 Bonds bear an interest rate of 7.00% per annum and are payable annually on December 15, but only to the extent of available Pledged Revenue. The Series 2016 Bonds mature on December 15, 2057. The Series 2016 Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Rather, principal on the Series 2016 Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2016 Bonds on December 15 of the then current year. Unpaid interest on the Series 2016 Bonds compounds annually on each December 15.

In the event that, on December 15, 2067, any amount of principal or interest on the Series 2016 Bonds remains unpaid after application of all Pledged Revenue available therefor in accordance with the 2016 Indenture, the Series 2016 Bonds and the lien of the 2016 Indenture securing payment thereof is to be deemed discharged.

The Series 2016 Bonds are subject to optional redemption, prior to maturity at the option of the District, on any date upon payment of par and accrued interest, without redemption premium.

The Series 2016 Bonds are secured by and payable solely from and to the extent of the Pledged Revenue, net of any costs of collection, which is defined generally in the 2016 Indenture as the following, net of any costs of collection:

- (a) all Property Tax Revenues;
- (b) all Specific Ownership Tax Revenues;
- (c) all Capital Fees;
- (d) all Pledged PIF Revenues;
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the 2016 Bond Fund; and
- (f) to the extent not included in the foregoing, any other revenues pledged to the payment of Senior Obligations after deduction of any amount applied to the payment of any Senior Obligation Annual Debt Service Requirements.

Property Tax Revenues means all moneys derived from imposition by the District of the 2016 Bond Required Mill Levy and excludes Specific Ownership Tax Revenues. Property Tax Revenues are net of the costs of collection and any tax refunds or abatement authorized by or on behalf of the County.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Pursuant to the 2016 Indenture, the District has covenanted to impose a 2016 Bond Required Mill Levy upon all taxable property of the District in an amount equal to 10 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2009, but in no event in excess of 50 mills (without adjustment)) less the then applicable Senior Required Mill Levy. The Series 2017A Bonds and Series 2017B Bonds constitute Senior Obligations under the 2016 Indenture.

Due to the uncertainty of the timing of the principal and interest payments on the Series 2016 Bonds, a schedule of the timing of these payments is not available.

The District has no operating or capital leases.

Reserves

Emergency Reserves

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

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the Series 2017A Bonds.

This information is an integral part of the accompanying budget.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
SCHEDULE OF DEBT SERVICE CASH REQUIREMENTS TO MATURITY**

\$11,800,000

General Obligation and Refunding and Improvement Bonds , Series 2017A

Interest Rate 6.000% to 6.125% per annum

Interest Payable on June 1 and December 1

Principal Payable December 1

Dated May 24, 2017

Bonds and Interest Maturing in the Year Ending December 31,	Principal	Interest	Total
2022	\$ -	\$ 722,750	\$ 722,750
2023	-	722,750	722,750
2024	-	722,750	722,750
2025	-	722,750	722,750
2026	5,000	722,750	727,750
2027	65,000	722,444	787,444
2028	135,000	718,463	853,463
2029	195,000	710,194	905,194
2030	255,000	698,250	953,250
2031	280,000	682,631	962,631
2032	315,000	665,481	980,481
2033	335,000	646,188	981,188
2034	375,000	625,669	1,000,669
2035	400,000	602,700	1,002,700
2036	445,000	578,200	1,023,200
2037	470,000	550,944	1,020,944
2038	520,000	522,156	1,042,156
2039	555,000	490,306	1,045,306
2040	605,000	456,313	1,061,313
2041	645,000	419,256	1,064,256
2042	705,000	379,750	1,084,750
2043	750,000	336,569	1,086,569
2044	815,000	290,631	1,105,631
2045	865,000	240,713	1,105,713
2046	940,000	187,731	1,127,731
2047	2,125,000	130,156	2,255,156
	<u>\$ 11,800,000</u>	<u>\$ 14,268,495</u>	<u>\$ 26,068,495</u>

No assurance provided. See summary of significant assumptions.

**The Canyons Metropolitan District No. 6
Schedule of Long-Term Obligations**

	Balance at December 31, 2020	Additions*	Repayments*	Balance at December 31, 2021*	Additions*	Repayments*	Balance at December 31, 2022*
Limited Tax GO and Special Revenue Refunding and Improvement Bonds Series 2017A - Principal	\$ 11,800,000	\$ -	\$ -	\$ 11,800,000	\$ -	\$ -	\$ 11,800,000
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - Principal	2,997,000	-	-	2,997,000	-	-	2,997,000
Discount on Series 2017	(103,315)	-	-	(103,315)	-	-	(103,315)
Limited Tax GO and Special Revenue Bonds Series 2016 - Principal	4,400,363	-	-	4,400,363	-	-	4,400,363
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - Interest	946,150	315,452	-	1,261,602	340,688	160,060	1,442,230
Limited Tax GO and Special Revenue Bonds Series 2016 - Interest	138,140	418,356	-	556,496	215,333	-	771,829
Total Bonds Payable	<u>20,178,338</u>	<u>733,808</u>	<u>-</u>	<u>20,912,146</u>	<u>556,021</u>	<u>160,060</u>	<u>21,308,107</u>
Developer Advances - Operations - Principal	183,743	38,441	-	222,184	34,238	-	256,422
Developer Advances - Operations - Interest	24,117	13,735	-	37,852	15,174	-	53,026
Developer Advances - Capital - Principal	12,921	12,000	-	24,921	16,974	-	41,895
Developer Advances - Capital - Interest	375	1,169	-	1,544	2,176	-	3,720
Public Improvement Reimbursement Agreement	-	3,596,631	2,156,756	1,439,875	4,332,500	-	5,772,375
Public Improvement Reimbursement Agreement - Interest	-	95,000	21,708	73,292	150,000	-	223,292
Total Developer Advance Payable	<u>221,156</u>	<u>3,756,976</u>	<u>2,178,464</u>	<u>1,799,668</u>	<u>4,551,062</u>	<u>-</u>	<u>6,350,730</u>
Total	<u>\$ 20,399,494</u>	<u>\$ 4,490,784</u>	<u>\$ 2,178,464</u>	<u>\$ 22,711,814</u>	<u>\$ 5,107,083</u>	<u>\$ 160,060</u>	<u>\$ 27,658,837</u>

* Estimate

No assurance provided. See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 8
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**THE CANYONS METROPOLITAN DISTRICT NO. 8
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31, 2022**

6/2/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	-
Specific ownership tax	-	-	-
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 8
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

6/2/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Agricultural	\$ 310	\$ 310	\$ 320
Certified Assessed Value	\$ 310	\$ 310	\$ 320
MILL LEVY			
Total mill levy	0.000	0.000	0.000
PROPERTY TAXES			
Budgeted property taxes	\$ -	\$ -	\$ -
BUDGETED PROPERTY TAXES			
General	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

**THE CANYONS METROPOLITAN DISTRICT NO. 8
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado and the District operates in connection with District Nos. 1 – 4 and 9 - 11.

The District was formed by District Court Order on December 19, 2001, and held its organizational meeting on March 14, 2002. The relationship between the Service District and Financing Districts, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the development, will be established by means of a Master Intergovernmental Agreement between the applicable Districts as the project evolves.

On November 6, 2001, District voters approved authorization to increase property taxes up to \$5,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$151,000,000 for the above listed facilities and an equal amount for refunding debt. The voters also authorized debt of \$5,000,000 for the costs of operating and maintaining the District's systems and \$10,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$100,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$100,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$2,260,000,000 for the above listed facilities and \$226,000,000 for refunding debt. The voters authorized debt of \$226,000,000 for the costs of operating and maintaining the District's systems and \$50,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The voters also authorized \$226,000,000 in debt for both Intergovernmental Agreements and Private Agreements. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

Pursuant to the Amended and Restated Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. This limit is to be adjusted for increases or decreases in the residential assessment ratio so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result. The adjustment only applies to the debt service portion of the mill levy.

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

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

**THE CANYONS METROPOLITAN DISTRICT NO. 8
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues and Expenditures

The District does not anticipate any financial activity in 2022.

Debt and Leases

The District has no outstanding operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR. Since the District does not anticipate generating any revenue nor incurring any expense, an emergency reserve is not reflected.

This information is an integral part of the accompanying budget.

THE CANYONS METROPOLITAN DISTRICT NO. 9
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**THE CANYONS METROPOLITAN DISTRICT NO. 9
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31, 2022**

6/2/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	-
Specific ownership tax	-	-	-
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 9
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

6/2/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Agricultural	\$ 310	\$ 310	\$ 320
Certified Assessed Value	<u>\$ 310</u>	<u>\$ 310</u>	<u>\$ 320</u>
MILL LEVY			
Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
PROPERTY TAXES			
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 9
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado and the District operates in connection with District Nos. 1 – 4 ,8 and 10 - 11.

The District was formed by District Court Order on December 19, 2001, and held its organizational meeting on March 14, 2002. The relationship between the Service District and Financing Districts, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the development, will be established by means of a Master Intergovernmental Agreement between the applicable Districts as the project evolves.

On November 6, 2001, District voters approved authorization to increase property taxes up to \$5,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$151,000,000 for the above listed facilities and an equal amount for refunding debt. The voters also authorized debt of \$5,000,000 for the costs of operating and maintaining the District's systems and \$10,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$100,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$100,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$2,260,000,000 for the above listed facilities and \$226,000,000 for refunding debt. The voters authorized debt of \$226,000,000 for the costs of operating and maintaining the District's systems and \$50,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The voters also authorized \$226,000,000 in debt for both Intergovernmental Agreements and Private Agreements. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

Pursuant to the Amended and Restated Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. This limit is to be adjusted for increases or decreases in the residential assessment ratio so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result. The adjustment only applies to the debt service portion of the mill levy.

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

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

**THE CANYONS METROPOLITAN DISTRICT NO. 9
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues and Expenditures

The District does not anticipate any financial activity in 2022.

Debt and Leases

The District has no outstanding operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR. Since the District does not anticipate generating any revenue nor incurring any expense, an emergency reserve is not reflected.

This information is an integral part of the accompanying budget.

THE CANYONS METROPOLITAN DISTRICT NO. 10
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**THE CANYONS METROPOLITAN DISTRICT NO. 10
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31, 2022**

6/2/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	-
Specific ownership tax	-	-	-
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 10
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

6/2/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Agricultural	\$ 310	\$ 310	\$ 320
Certified Assessed Value	<u>\$ 310</u>	<u>\$ 310</u>	<u>\$ 320</u>
MILL LEVY			
Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
PROPERTY TAXES			
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 10
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado and the District operates in connection with District Nos. 1 – 4, 8,9 and 11.

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**THE CANYONS METROPOLITAN DISTRICT NO. 10
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues and Expenditures

The District does not anticipate any financial activity in 2022.

Debt and Leases

The District has no outstanding operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR. Since the District does not anticipate generating any revenue nor incurring any expense, an emergency reserve is not reflected.

This information is an integral part of the accompanying budget.

THE CANYONS METROPOLITAN DISTRICT NO. 11
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**THE CANYONS METROPOLITAN DISTRICT NO. 11
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31, 2022**

6/2/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	-
Specific ownership tax	-	-	-
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 11
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

6/2/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Agricultural	\$ 310	\$ 310	\$ 320
Certified Assessed Value	\$ 310	\$ 310	\$ 320
MILL LEVY			
Total mill levy	0.000	0.000	0.000
PROPERTY TAXES			
Budgeted property taxes	\$ -	\$ -	\$ -
BUDGETED PROPERTY TAXES			
General	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

THE CANYONS METROPOLITAN DISTRICT NO. 11
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado and the District operates in connection with District Nos. 1 – 4, and 8 - 10.

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

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**THE CANYONS METROPOLITAN DISTRICT NO. 11
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues and Expenditures

The District does not anticipate any financial activity in 2022.

Debt and Leases

The District has no outstanding operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR. Since the District does not anticipate generating any revenue nor incurring any expense, an emergency reserve is not reflected.

This information is an integral part of the accompanying budget.

EXHIBIT G

2021 Applications for Exemption from Audit (District Nos. 1, 2 & 4)

APPLICATION FOR EXEMPTION FROM AUDIT

LONG FORM

NAME OF GOVERNMENT
ADDRESS

The Canyons Metropolitan District No. 1
8390 E Crescent Parkway
Suite 300
Greenwood Village, CO 80111
Shelby Clymer
303-779-5710
Shelby.Clymer@claconnect.com
303-779-0348

For the Year Ended
12/31/2021
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL
FAX

CERTIFICATION OF PREPARER

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least \$100,000 but not more than \$750,000, and that independent means someone who is separate from the entity.

NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED
RELATIONSHIP TO ENTITY

Shelby Clymer
Accountant for the District
CliftonLarsonAllen LLP
8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
303-779-5710
3/24/2022
CPA Firm providing accounting services to the District

PREPARER (SIGNATURE REQUIRED)

See Accountant's Compilation Report

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

YES	NO	If Yes, date filed:
<input type="checkbox"/>	<input checked="" type="checkbox"/>	

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General	Fund*		Fund*	Fund*	
Assets				Assets			
1-1	Cash & Cash Equivalents	\$ 500	\$ -	Cash & Cash Equivalents	\$ -	\$ -	
1-2	Investments	\$ 5,435	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ -	\$ -	Receivables	\$ -	\$ -	
1-4	Due from Other Entities or Funds	\$ 191	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
1-5	Property Tax Receivable	\$ -	\$ -	Other Current Assets [specify...]			
	All Other Assets [specify...]				\$ -	\$ -	
1-6	Prepaid insurance	\$ 7,927	\$ -				
1-7		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ -	\$ -	
1-8		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -	
1-9		\$ -	\$ -		\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ 14,053	\$ -	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ -	\$ -	
Deferred Outflows of Resources				Deferred Outflows of Resources			
1-12	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-13	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-14	(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS	\$ -	\$ -	(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS	\$ -	\$ -	
1-15	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 14,053	\$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -	
Liabilities				Liabilities			
1-16	Accounts Payable	\$ 18,312	\$ -	Accounts Payable	\$ -	\$ -	
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -	
1-18	Unearned Property Tax Revenue	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -	
1-19	Due to Other Entities or Funds	\$ 4,712	\$ -	Due to Other Entities or Funds	\$ -	\$ -	
1-20	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -	
1-21	(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES	\$ 23,024	\$ -	(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES	\$ -	\$ -	
1-22	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -	
1-23		\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -	
1-24		\$ -	\$ -		\$ -	\$ -	
1-25		\$ -	\$ -		\$ -	\$ -	
1-26		\$ -	\$ -		\$ -	\$ -	
1-27	(add lines 1-21 through 1-26) TOTAL LIABILITIES	\$ 23,024	\$ -	(add lines 1-21 through 1-26) TOTAL LIABILITIES	\$ -	\$ -	
Deferred Inflows of Resources				Deferred Inflows of Resources			
1-28	Deferred Property Taxes	\$ -	\$ -	Pension Related	\$ -	\$ -	
1-29	Other [specify...]	\$ -	\$ -	Other [specify...]	\$ -	\$ -	
1-30	(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ -	\$ -	(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ -	\$ -	
Fund Balance				Net Position			
1-31	Nonspendable Prepaid	\$ 7,927	\$ -	Net Investment in Capital Assets	\$ -	\$ -	
1-32	Nonspendable Inventory	\$ -	\$ -				
1-33	Restricted [specify...] Emergency Reserves	\$ 900	\$ -	Emergency Reserves	\$ -	\$ -	
1-34	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-35	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -	
1-36	Unassigned:	\$ (17,798)	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -	
1-37	Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL FUND BALANCE	\$ (8,971)	\$ -	Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL NET POSITION	\$ -	\$ -	
1-38	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 14,053	\$ -	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ -	\$ -	

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page	
		General	Fund*		Fund*	Fund*		
Tax Revenue				Tax Revenue				
2-1	Property [include mills levied in Question 10-6]	\$ -	\$ -	Property [include mills levied in Question 10-6]	\$ -	\$ -		
2-2	Specific Ownership	\$ -	\$ -	Specific Ownership	\$ -	\$ -		
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -		
2-4	Other Tax Revenue [specify...]:	\$ -	\$ -	Other Tax Revenue [specify...]:	\$ -	\$ -		
2-5		\$ -	\$ -		\$ -	\$ -		
2-6		\$ -	\$ -		\$ -	\$ -		
2-7		\$ -	\$ -		\$ -	\$ -		
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ -	\$ -	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ -	\$ -		
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -		
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -		
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	Conservation Trust Funds (Lottery)	\$ -	\$ -		
2-12	Community Development Block Grant	\$ -	\$ -	Community Development Block Grant	\$ -	\$ -		
2-13	Fire & Police Pension	\$ -	\$ -	Fire & Police Pension	\$ -	\$ -		
2-14	Grants	\$ -	\$ -	Grants	\$ -	\$ -		
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -		
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ -	\$ -		
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -		
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -		
2-19	Interest/Investment Income	\$ 7	\$ -	Interest/Investment Income	\$ -	\$ -		
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -		
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -		
2-22	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -		
2-23	Public Improvement Fees	\$ 182,071	\$ -		\$ -	\$ -		
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 182,078	\$ -	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -		
Other Financing Sources				Other Financing Sources				
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -		
2-26	Developer Advances	\$ 41,877	\$ -	Developer Advances	\$ -	\$ -		
2-27	Other [specify...]: Transfers from other Districts	\$ 29,622	\$ -	Other [specify...]:	\$ -	\$ -		
2-28	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$ 71,499	\$ -	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	GRAND TOTALS	
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 253,577	\$ -	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ -	\$ -	\$ 253,577	

IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General	Fund*		Fund*	Fund*	
	Expenditures			Expenses			
3-1	General Government	\$ 77,823	\$ -	General Operating & Administrative	\$ -	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ -	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ -	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Transfers to other districts	\$ 182,071	\$ -	Utilities	\$ -	\$ -	
3-11	Other [specify...]:	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other [specify...]	\$ -	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
	Debt Service			Debt Service			
3-15	Principal (should match amount in 4-4)	\$ -	\$ -	Principal (should match amount in 4-4)	\$ -	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ -	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
3-21		\$ -	\$ -		\$ -	\$ -	
3-22	Add lines 3-1 through 3-21 TOTAL EXPENDITURES	\$ 259,894	\$ -	Add lines 3-1 through 3-21 TOTAL EXPENSES	\$ -	\$ -	GRAND TOTAL
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	
3-24	Interfund Transfers Out	\$ -	\$ -	Other [specify...][enter negative for expense]	\$ -	\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation	\$ -	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -	
3-29	(Add lines 3-23 through 3-28) TOTAL TRANSFERS AND OTHER EXPENDITURES	\$ -	\$ -	(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS	\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29	\$ (6,317)	\$ -	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, less line 3-23	\$ -	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ (2,654)	\$ -	Net Position, January 1 from December 31 prior year report	\$ -	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ (8,971)	\$ -	Net Position, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ -	\$ -	

IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

YES NO

Please use this space to provide any explanations or comments:

4-1	Does the entity have outstanding debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4-2	Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A - Developer advances will be repaid if and when funds are available</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-3	Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A - Developer advances will be repaid if and when funds are available</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)			
	Outstanding at beginning of year*	Issued during year	Retired during year	Outstanding at year-end
	General obligation bonds	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -
	Notes/Loans	\$ -	\$ -	\$ -
	Leases	\$ -	\$ -	\$ -
	Developer Advances	\$ 296,951	\$ 41,877	\$ 338,828
	Other (specify): Accrued interest	\$ 94,911	\$ 25,905	\$ 120,816
	TOTAL	\$ 391,862	\$ 67,782	\$ 459,644

*must agree to prior year ending balance

Please answer the following questions by marking the appropriate boxes.		YES	NO	
4-5	Does the entity have any authorized, but unissued, debt [Section 29-1-605(2) C.R.S.]? How much? <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">\$ 2,260,000,000</div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
If yes:	Date the debt was authorized: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">11/4/2014</div>			
4-6	Does the entity intend to issue debt within the next calendar year? How much? <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">\$ -</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-7	Does the entity have debt that has been refinanced that it is still responsible for? What is the amount outstanding? <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">\$ -</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-8	Does the entity have any lease agreements? 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? <div style="border: 1px solid black; padding: 2px; margin-top: 5px; width: 100%;">\$ -</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

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	\$ 500		
5-2	Certificates of deposit	\$ -		
	TOTAL CASH DEPOSITS		\$ 500	
	Investments (if investment is a mutual fund, please list underlying investments):			
5-3	CSAFE	\$ 5,435		
		\$ -		
		\$ -		
		\$ -		
	TOTAL INVESTMENTS		\$ 5,435	
	TOTAL CASH AND INVESTMENTS		\$ 5,935	
Please answer the following question by marking in the appropriate box		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.)? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px; width: 100%; height: 20px;"></div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PART 6 - CAPITAL ASSETS

Please answer the following question by marking in the appropriate box YES NO Please use this space to provide any explanations or comments:

- 6-1 Does the entity have capitalized 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, YES NO

MUST explain:

6-3 Complete the following Capital Assets table for **GOVERNMENTAL FUNDS**:

	Balance - beginning of the year ¹	Additions ²	Deletions	Year-End Balance
Land	\$ 186,135	\$ -	\$ -	\$ 186,135
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain): Water and Sewer	\$ 42,700	\$ -	\$ -	\$ 42,700
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 228,835	\$ -	\$ -	\$ 228,835

6-4 Complete the following Capital Assets table for **PROPRIETARY FUNDS**:

	Balance - beginning of the year*	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

* Must agree to prior year-end balance
 - Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

PART 7 - PENSION INFORMATION

* YES NO Please use this space to provide any explanations or comments:

- 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? YES NO

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?	\$	-

PART 8 - BUDGET INFORMATION

Please answer the following question by marking in the appropriate box		YES	NO	N/A	Please use this space to provide any explanations or comments:										
8-1	Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>											
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>											
If yes: Please indicate the amount appropriated for each fund separately for the year reported															
<table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #cccccc;"> <th style="text-align: left; padding: 5px;">Governmental/Proprietary Fund Name</th> <th style="text-align: right; padding: 5px;">Total Appropriations By Fund</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">General Fund - Amended</td> <td style="text-align: right; padding: 5px;">\$ 340,000</td> </tr> <tr> <td style="padding: 5px;"></td> <td style="text-align: right; padding: 5px;">-</td> </tr> <tr> <td style="padding: 5px;"></td> <td style="text-align: right; padding: 5px;">-</td> </tr> <tr> <td style="padding: 5px;"></td> <td style="text-align: right; padding: 5px;">-</td> </tr> </tbody> </table>		Governmental/Proprietary Fund Name	Total Appropriations By Fund	General Fund - Amended	\$ 340,000		-		-		-				
Governmental/Proprietary Fund Name	Total Appropriations By Fund														
General Fund - Amended	\$ 340,000														
	-														
	-														
	-														

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? <small>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.</small>	<input type="checkbox"/>	<input type="checkbox"/>	

PART 10 - GENERAL INFORMATION

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:						
10-1	Is this application for a newly formed governmental entity? If yes: Date of formation: <input style="width: 150px; height: 30px; margin-left: 20px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>							
10-2	Has the entity changed its name in the past or current year? If Yes: NEW name <input style="width: 400px; height: 20px; margin-left: 10px;" type="text"/> PRIOR name <input style="width: 400px; height: 20px; margin-left: 10px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>							
10-3	Is the entity a metropolitan district?	<input type="checkbox"/>	<input type="checkbox"/>							
10-4	Please indicate what services the entity provides: <input style="width: 450px; height: 20px; margin-left: 10px;" type="text" value="See below"/>	<input type="checkbox"/>	<input type="checkbox"/>							
10-5	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: <input style="width: 450px; height: 20px; margin-left: 10px;" type="text" value="Consolidated Service Plan with The Canyons Metropolitan District Nos. 2-5 and 8-11"/>	<input type="checkbox"/>	<input type="checkbox"/>							
10-6	Does the entity have a certified mill levy? If yes: Please provide the number of <u>mills</u> levied for the year reported (do not enter \$ amounts):	<input type="checkbox"/>	<input type="checkbox"/>							
<table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tbody> <tr> <td style="padding: 5px;">Bond Redemption mills</td> <td style="text-align: right; padding: 5px;">0.000</td> </tr> <tr> <td style="padding: 5px;">General/Other mills</td> <td style="text-align: right; padding: 5px;">0.000</td> </tr> <tr style="background-color: #0056b3; color: white;"> <td style="padding: 5px;">Total mills</td> <td style="text-align: right; padding: 5px;">0.000</td> </tr> </tbody> </table>		Bond Redemption mills	0.000	General/Other mills	0.000	Total mills	0.000			
Bond Redemption mills	0.000									
General/Other mills	0.000									
Total mills	0.000									

Please use this space to provide any additional explanations or comments not previously included:

10-4: Streets, mosquito control, water, traffic control, storm/sanitary sewer, parks & recreation, transportation, television translation, and fire protection/emergency medical services.

OSA USE ONLY

Entity Wide:		General Fund		Governmental Funds		Notes		
Unrestricted Cash & Investments	\$	5,935	Unrestricted Fund Balan	\$	(17,798)	Total Tax Revenue	\$	-
Current Liabilities	\$	23,024	Total Fund Balance	\$	(8,971)	Revenue Paying Debt Service	\$	-
Deferred Inflow	\$	-	PY Fund Balance	\$	(2,654)	Total Revenue	\$	253,577
			Total Revenue	\$	253,577	Total Debt Service Principal	\$	-
			Total Expenditures	\$	259,894	Total Debt Service Interest	\$	-
			Interfund In	\$	-			
Governmental			Interfund Out	\$	-	Enterprise Funds		
Total Cash & Investments	\$	5,935				Net Position	\$	-
Transfers In	\$	-	Proprietary			PY Net Position	\$	-
Transfers Out	\$	-	- Current Assets	\$				
Property Tax	\$	-	- Deferred Outflow	\$		Government-Wide		
Debt Service Principal	\$	-	- Current Liabilities	\$		- Total Outstanding Debt	\$	459,644
Total Expenditures	\$	259,894	Deferred Inflow	\$		- Authorized but Unissued	\$	2,260,000,000
Total Developer Advances	\$		- Cash & Investments	\$		- Year Authorized		11/4/2014
Total Developer Repayments	\$		- Principal Expense	\$				

PART 12 - 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?

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

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.

Below is the certification and approval of the governing body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

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

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

	Full Name	
1	Jonathan Alpert	I, Jonathan Alpert, attest that 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: May 2022
2	Scott Alpert	I, Scott Alpert, attest that 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: May 2022
3	Darren Everett	I, Darren Everett, attest that 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: May 2023
4	Full Name	I, _____, attest that 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: _____
5	Full Name	I, _____, attest that 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: _____
6	Full Name	I, _____, attest that 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: _____
7	Full Name	I, _____, attest that 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: _____



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAAconnect.com

Accountant's Compilation Report

Board of Directors
The Canyons Metropolitan District No. 1
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of The Canyons Metropolitan District No. 1 as of and for the year ended December 31, 2021, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to The Canyons Metropolitan District No. 1.

Greenwood Village, Colorado
March 24, 2022



CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](https://www.nexia.com/member-firm-disclaimer) for details.

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

The Canyons Metropolitan District No. 2
8390 E Crescent Parkway
Suite 300
Greenwood Village, CO 80111
Shelby Clymer
303-779-5710
Shelby.Clymer@claconnect.com
303-779-0348

For the Year Ended
12/31/21
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL
FAX

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:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED

Shelby Clymer
Accountant for the District
CliftonLarsonAllen LLP
8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
303-779-5710
3/23/2022

PREPARER (SIGNATURE REQUIRED)

See Attached Accountant's Compilation Report

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)	\$ 26,255	
2-2	Specific ownership	\$ 2,532	
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)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 28,787	

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	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
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	Transfers to The Canyons Metropolitan District No. 1	\$ 27,790	
3-25	Treasurer's Fees	\$ 394	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 28,184	

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: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A. The District has no outstanding debt.</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A. The District has no outstanding debt.</div>	<input type="checkbox"/>	<input checked="" 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	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? \$ 2,260,000,000.00 Date the debt was authorized: 11/4/2014	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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	\$ -	
5-2 Certificates of deposit	\$ -	
Total Cash Deposits		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
Total Investments		\$ -
Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

	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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

PART 6 - CAPITAL 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

N/A. The District has no capital assets.

Complete the following capital 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)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
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	\$ 28,355

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?

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:

See below

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:

Consolidated Service Plan with The Canyons Metropolitan District Nos. 1, 3-5 and 8-11

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	69.000
Total mills	69.000

Bond Redemption mills	-
General/Other mills	69.000
Total mills	69.000

Please use this space to provide any explanations or comments:

10-3: Streets, mosquito control, water, traffic control, storm/sanitary sewer, parks & recreation, transportation, television translation, and fire protection/emergency medical services.

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. Print Board Member's Name		A <u>MAJORITY</u> of the members of the governing body must complete and sign in the column below.
Board Member 1	Jonathan Alpert	I, Jonathan Alpert, 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: May 2022
Board Member 2	Scott Alpert	I, Scott Alpert, 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: May 2022
Board Member 3	Darren Everett	I, Darren Everett, 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: May 2023
Board Member 4		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 5		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 6		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		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: _____



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAAconnect.com

Accountant's Compilation Report

Board of Directors
The Canyons Metropolitan District No. 2
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of The Canyons Metropolitan District No. 2 as of and for the year ended December 31, 2021, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to The Canyons Metropolitan District No. 2.

Greenwood Village, Colorado
March 23, 2022



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APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

The Canyons Metropolitan District No. 4

8390 E Crescent Parkway

Suite 300

Greenwood Village, CO 80111

CONTACT PERSON

Shelby Clymer

PHONE

303-779-5710

EMAIL

Shelby.Clymer@claconnect.com

FAX

303-779-0348

For the Year Ended
12/31/21
or fiscal year ended:

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:

Shelby Clymer

TITLE

Accountant for the District

FIRM NAME (if applicable)

CliftonLarsonAllen LLP

ADDRESS

8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111

PHONE

303-779-5710

DATE PREPARED

3/23/2022

PREPARER (SIGNATURE REQUIRED)

See Attached Accountant's Compilation Report

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types

GOVERNMENTAL
(MODIFIED ACCRUAL BASIS)



PROPRIETARY
(CASH OR BUDGETARY BASIS)



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)	\$ 1,730	
2-2	Specific ownership	\$ 167	
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	\$ 1	
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)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 1,898	

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	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
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	Transfers to The Canyons Metropolitan District No. 1	\$ 1,832	
3-25	Treasurer's Fees	\$ 26	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 1,858	

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: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A. The District has no outstanding debt.</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A. The District has no outstanding debt.</div>	<input type="checkbox"/>	<input checked="" 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	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? \$ 2,260,000,000.00 Date the debt was authorized: 11/4/2014	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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	\$ -	
5-2 Certificates of deposit	\$ -	
Total Cash Deposits		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
Total Investments		\$ -
Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

	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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

PART 6 - CAPITAL 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

N/A. The District has no capital assets.

Complete the following capital 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)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
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	\$ 1,868

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?

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:

See below

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:

Consolidated Service Plan with The Canyons Metropolitan District Nos. 1-2, 3, 5 and 8-11

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

69.000

Total mills

69.000

Please use this space to provide any explanations or comments:

10-3: Streets, mosquito control, water, traffic control, storm/sanitary sewer, parks & recreation, transportation, television translation, and fire protection/emergency medical services.

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 <u>MAJORITY</u> of the members of the governing body must complete and sign in the column below.
Board Member 1	Jonathan Alpert	I, Jonathan Alpert, 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: May 2022
Board Member 2	Scott Alpert	I, Scott Alpert, 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: May 2022
Board Member 3	Darren Everett	I, Darren Everett, 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: May 2023
Board Member 4		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 5		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 6		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		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: _____



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Accountant's Compilation Report

Board of Directors
The Canyons Metropolitan District No. 4
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of The Canyons Metropolitan District No. 4 as of and for the year ended December 31, 2021, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to The Canyons Metropolitan District No. 4.

Greenwood Village, Colorado
March 9, 2022



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