

2022 ANNUAL REPORT (COMBINED)
HESS RANCH METROPOLITAN DISTRICT NOS. 4-8

Pursuant to Section VII of the Amended and Restated Service Plans for each of Hess Ranch Metropolitan District Nos. 4-8, approved by the Town of Parker, Colorado on August 5, 2019 (collectively, the “Service Plan”), the following combined report of Hess Ranch Metropolitan District Nos. 4-8 (the “Districts”) activities from January 1, 2022 to December 1, 2022 is hereby submitted.

1. A list of public infrastructure the Districts constructed or installed during the report year, and a schedule for the construction or installation of future public infrastructure, as well as any maintenance operations or activities the Districts have undertaken during the report year and maintenance operations or activities the District plan to undertake in the upcoming year:

In the report year 2022, District No. 6 installed the following public infrastructure: Landscape improvements in Hess Ranch Filing No. 1. The District also provided stormwater management inspections and maintenance as needed.

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

In the report year 2022, the Town of Parker issued probationary acceptance for the Hess Ranch Filing No. 1 road and storm sewer constructed by the District.

3. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the Districts for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e., revenues and expenditures) for the report year:

See attached Exhibit A – 2022 Audit Exemptions for District Nos. 5, 7 and 8 and 2022 Audits for District Nos. 4 and 6.

4. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year, as well as any Public Improvements proposed to be undertaken in the five (5) years following the report year:

See attached Audit Report for District Nos. 4 and 6 for capital expenditures incurred in 2022. It is anticipated that the Districts will continue to undertake and complete streets, stormwater, sanitary sewer, water, and landscaping and recreation improvements associated with Phase 1 of the Looking Glass development in the next five years as set forth in the Service Plan.

5. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding Debt, the amount and terms of any new Debt issued in the report year, the amount of payment or retirement of existing Debt of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1 of the report year, and the current mill levy of the Districts pledged to Debt retirement in the report year:

See attached Exhibit A, Audit Report for District No. 6, and Exhibit B, 2023 Budgets.

6. The Districts' budget for the calendar year in which the annual report is submitted:

See attached Exhibit B – 2023 Budgets

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

Hess Ranch Metropolitan District No. 4:	\$11,190,240.00
Hess Ranch Metropolitan District No. 5:	\$7,260.00.00
Hess Ranch Metropolitan District No. 6:	\$670.00
Hess Ranch Metropolitan District No. 7:	\$0.00
Hess Ranch Metropolitan District No. 8:	\$1,520.00

8. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the District.

None.

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

None.

10. A summary of the residential development in the Districts for the report year:

In the report year of 2022, residential development occurred in Filings 2, 3, 4, 5, 6 and 7.

11. A summary of all fees, charges and assessments imposed by the Districts as of January 1 of the report year:

No fees, charges or assessments were imposed by the Districts during 2022.

12. Certification of the Boards that no action, event or condition enumerated in Town Code section 10.11.060 has occurred in the report year, or certification that such event

has occurred but that an amendment to the Service Plan that allows such event has been approved by Town Council:

The Boards of the Districts hereby certify that no action, event or condition in Town Code section 10.11.060 occurred in 2022.

13. The name, business address and telephone number of each member of the Boards and their chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Boards:

2022 Regular Meeting Dates: third Wednesday of each month at 12:00 p.m.

Donald Guerra, President
619 12th Street, #31
Golden, Colorado 80402
(303) 905-3496

Robert L. Eck II, Secretary/Treasurer
619 12th Street, #31
Golden, Colorado 80402
Phone: 303-961-0313

Bradley Lenz, Director
619 12th Street, #31
Golden, Colorado 80402
Phone: 303-356-0531

Matt Childers
2000 N. Clay Street
Denver, CO 80211
Phone: 281-799-3727

General Counsel:
Spencer Fane LLP
Attn: Thomas N. George, Esq.
1700 Lincoln Street, Suite 2000
Denver, CO 80203
Phone: 303-839-3800

Accountant:
CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Phone: 303-779-5710

14. Certification from the Boards of the Districts that the Districts are in compliance with all provisions of the Service Plan:

The Boards hereby certify, to the best of their knowledge that the Districts are in compliance with all provisions of the Service Plan.

15. A copy of the most recent notice issued by the Districts, pursuant to Section 32-1-809, C.R.S.:

See attached Exhibit C – 2023 Transparency Notice

16. A copy of any intergovernmental agreements entered into by the District since the filing of the last annual report.

During the report year of 2022, the Districts entered into a Junior Capital Pledge Agreement dated April 1, 2022, by and among each of Hess Ranch Metropolitan District Nos. 4-8 and UMB Bank, N.A., as Trustee, concerning the issuance by District No. 6 of its Junior Limited Tax General Obligation Bonds Series 2022. A copy of the Junior Capital Pledge Agreement is submitted with this report as Exhibit D.

17. Boundary changes made.

During the report year of 2022, the Districts did not make changes to its boundaries.

18. Access information to obtain a copy of the rules and regulations adopted by the Board.

The Districts have not adopted rules and regulations.

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

In 2020 the District became involved in a dispute with a landowner concerning a Parker Water and Sanitation District easement on private property and the installation of a sanitary sewer line constructed by Hess Ranch Metropolitan District No. 6 in Case No. 2020CV30837, District Court, Douglas County, Colorado. The general dispute at issue was whether the exiting utility easement allowed the construction of a sanitary sewer line, or only a domestic water line. A settlement agreement was reached in early 2022, all matters were resolved, and the case was dismissed.

20. Access information to obtain a copy of rules and regulations adopted by the Board.

The Board has not adopted rules and regulations as of the date of this report. The district website is: <https://hessranchmd4-8.colorado.gov/>

EXHIBIT A

**HESS RANCH METROPOLITAN
DISTRICT NO. 4
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2022**

**HESS RANCH METROPOLITAN DISTRICT NO. 4
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022**

INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	5
NOTES TO BASIC FINANCIAL STATEMENTS	6
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	14
OTHER INFORMATION	
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	16

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hess Ranch Metropolitan District No. 4
Douglas County, Colorado

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Hess Ranch Metropolitan District No. 4, Douglas County, Colorado, as of and for the year ended December 31, 2022, which collectively comprise Hess Ranch Metropolitan District No. 4's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Hess Ranch Metropolitan District No. 4, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hess Ranch Metropolitan District No. 4 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Hess Ranch Metropolitan District No. 4's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hess Ranch Metropolitan District No. 4's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hess Ranch Metropolitan District No. 4's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hess Ranch Metropolitan District No. 4's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has not presented Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basis financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basis financial statements is not affected by the missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Hess Ranch Metropolitan District No. 4's basic financial statements. The supplemental information listed in the table of contents are presented for the purpose of additional analysis and was not a required part of the financial statements.

The supplemental schedule of Debt Service Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Debt Service Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

The Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express any opinion or provide any assurance on them.

Watson Coon Ryan, LLC

Watson Coon Ryan, LLC
June 8, 2023
Centennial, Colorado

BASIC FINANCIAL STATEMENTS

**HESS RANCH METROPOLITAN DISTRICT NO. 4
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities
ASSETS	
Receivable - County Treasurer	\$ 5,007
Property Taxes Receivable	861,648
Total Assets	866,655
LIABILITIES	
Due to District No. 6	5,007
Total Liabilities	5,007
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	861,648
Total Deferred Inflows of Resources	861,648
NET POSITION	
Unrestricted	-
Total Net Position	\$ -

See accompanying Notes to Basic Financial Statements.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 801,759	\$ -	\$ -	\$ -	\$ (801,759)
Total Governmental Activities	\$ 801,759	\$ -	\$ -	\$ -	(801,759)
GENERAL REVENUES					
Property Taxes					731,920
Specific Ownership Taxes					69,794
Net Interest Income					45
Total General Revenues					801,759
CHANGE IN NET POSITION					-
Net Position - Beginning of Year					-
NET POSITION - END OF YEAR					\$ -

See accompanying Notes to Basic Financial Statements.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Receivable - County Treasurer	\$ 650	\$ 4,357	\$ 5,007
Property Taxes Receivable	111,902	749,746	861,648
Total Assets	\$ 112,552	\$ 754,103	\$ 866,655
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Due to District No. 6	\$ 650	\$ 4,357	\$ 5,007
Total Liabilities	650	4,357	5,007
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenues	111,902	749,746	861,648
Total Deferred Inflows of Resources	111,902	749,746	861,648
FUND BALANCES			
Unassigned	-	-	-
Total Fund Balances	-	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 112,552	\$ 754,103	\$ 866,655

There are no reconciling differences between the fund balances of governmental funds and the net position of governmental activities.

HESS RANCH METROPOLITAN DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Property Taxes	\$ 95,055	\$ -	\$ 95,055
Property Taxes - Capital Pledge	-	541,809	541,809
Property Taxes - Regional Infrastructure	-	47,528	47,528
Property Taxes - Town Infrastructure	-	47,528	47,528
Specific Ownership Taxes	9,064	-	9,064
Specific Ownership Taxes - Capital Pledge	-	51,666	51,666
Specific Ownership Taxes - Regional Infrastructure	-	4,532	4,532
Specific Ownership Taxes - Town Infrastructure	-	4,532	4,532
Net Interest Income	6	39	45
Total Revenues	<u>104,125</u>	<u>697,634</u>	<u>801,759</u>
EXPENDITURES			
County Treasurer's Fees	1,426	-	1,426
County Treasurer's Fees - Capital Pledge	-	8,127	8,127
County Treasurer's Fees - Regional Infrastructure	-	713	713
County Treasurer's Fees - Town Infrastructure	-	713	713
Transfers to District No. 6	102,699	688,081	790,780
Total Expenditures	<u>104,125</u>	<u>697,634</u>	<u>801,759</u>
NET CHANGE IN FUND BALANCES	-	-	-
Fund Balances - Beginning of Year	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

There are no reconciling differences between the net change in fund balances of governmental funds and the change in net position of governmental activities.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budgets	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 102,501	\$ 95,055	\$ (7,446)
Specific Ownership Taxes	8,200	9,064	864
Net Interest Income	-	6	6
Other Revenue	4,299	-	(4,299)
Total Revenues	115,000	104,125	(10,875)
EXPENDITURES			
County Treasurer's Fees	1,538	1,426	112
Contingency	4,299	-	4,299
Transfers to District No. 6	109,163	102,699	6,464
Total Expenditures	115,000	104,125	10,875
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

HESS RANCH METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 DEFINITION OF REPORTING ENTITY

Hess Ranch Metropolitan District No. 4 a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court on May 23, 2016 and is governed pursuant to provisions of Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located south of Hess Road and west of Molsenbocker Road in the Town of Parker in Douglas County, Colorado. The District was established to provide construction, installation, financing, and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 5, Hess Ranch No. 6, Hess Ranch No. 7, and Hess Ranch No. 8. The District serves as a Taxing District for Hess Ranch Metropolitan District No. 6.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

HESS RANCH METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

HESS RANCH METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Property Taxes

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as a deferred inflow of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

HESS RANCH METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DEBT AUTHORIZATION

On November 3, 2015, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$1,589,380,000 at an interest rate not to exceed 18% per annum. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized at November 3, 2015 Election *
Public Improvements	\$ 1,222,600,000
Operations and Maintenance	122,260,000
Intergovernmental Agreements	122,260,000
Refunding	122,260,000
	\$ 1,589,380,000

NOTE 4 RELATED PARTIES

The Developer of the property which constitutes the District is JEN Colorado 18 LLC. (the Developer). The majority members of the Board of Directors are employees of, owners of, or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

NOTE 5 AGREEMENTS

The Taxing Districts

The District was organized simultaneously with Hess Ranch Metropolitan District No. 5 (District No. 5), Hess Ranch Metropolitan District No. 6 (District No. 6), Hess Ranch Metropolitan District No. 7 (District No. 7), and Hess Ranch Metropolitan District No. 8 (District No. 8). District No. 6 is the Operating District. The District, District No. 5, District No. 7, and District No. 8, together with District No. 6, are referred to herein as the Taxing Districts. The District, District No. 5, District No. 6, and District No. 7 are residential districts and District No. 8 is a commercial district. The District, District No. 5, District No. 7, and District No. 8 are required to transfer proceeds from their debt service mill levies to District No. 6, or to the Trustee in accordance with the Pledge Agreements, to be applied to debt service.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 AGREEMENTS (CONTINUED)

Town Intergovernmental Agreements

Each of the Taxing Districts has entered into a separate intergovernmental agreement with the Town of Parker (collectively, the Town IGAs). The Town IGAs provide that the Taxing Districts impose the Infrastructure Capital Mill Levy (5.000 mills, subject to adjustment) and use the proceeds for Regional Infrastructure. The Town IGAs require that the proceeds of the Infrastructure Capital Mill Levy be paid by the Taxing Districts to the Town; however, the Taxing Districts are permitted to retain revenues from the Infrastructure Capital Mill Levy to the extent needed to pay debt service on obligations repayable in whole or in part from such mill levy (which includes the Bonds). The Town IGAs also provide that the Districts impose the Town Capital and Maintenance Mill Levy (5.000 mills, subject to adjustment) and use the proceeds for the planning, design, constructions and/or maintenance of Town infrastructure. The Town IGAs require that the proceeds of the Infrastructure Capital Mill Levy be paid by the Districts to the Town.

NOTE 6 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, workers' compensation, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

.....

HESS RANCH METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limits must be refunded unless the voters approve retention of such revenue.

On November 3, 2015, a majority of the District's electors authorized the District to collect and spend or retain any revenue from fees other than ad valorem property taxes of the District without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLIMENTARY INFORMATION

**HESS RANCH METROPOLITAN DISTRICT NO. 4
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budgets	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes - Capital Pledge	\$ 584,257	\$ 541,809	\$ (42,448)
Property Taxes - Regional Infrastructure	51,250	47,528	(3,722)
Property Taxes - Town Infrastructure	51,250	47,528	(3,722)
Specific Ownership Taxes - Capital Pledge	46,741	51,666	4,925
Specific Ownership Taxes - Regional Infrastructure	4,100	4,532	432
Specific Ownership Taxes - Town Infrastructure	4,100	4,532	432
Net Interest Income	-	39	39
Other Revenue	8,302	-	(8,302)
Total Revenues	750,000	697,634	(52,366)
EXPENDITURES			
County Treasurer's Fees - Capital Pledge	8,764	8,127	637
County Treasurer's Fees - Regional Infrastructure	769	713	56
County Treasurer's Fees - Town Infrastructure	769	713	56
Contingency	8,302	-	8,302
Transfers to District No. 6	731,396	688,081	43,315
Total Expenditures	750,000	697,634	52,366
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -

OTHER INFORMATION

**HESS RANCH METROPOLITAN DISTRICT NO. 4
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018	\$ -	0.000	\$ -	\$ -	0.00%
2019	-	0.000	-	-	0.00
2020	-	10.069	-	-	0.00
2021	4,050	77.000	312	312	100.00
2022	10,250,110	77.000	789,259	731,920	92.74
Estimated for the Year Ending December 31, 2023	\$ 11,190,240	77.000	\$ 861,648		

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

Hess Ranch Metropolitan District No. 5
8390 E Crescent Parkway
Suite 300
Greenwood Village, CO 80111

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

CONTACT PERSON
PHONE
EMAIL

Paul Niedermuller
303-779-5710
Paul.Niedermuller@claconnect.com

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

Paul Niedermuller
Accountant for the District
CliftonLarsonAllen LLP
8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
303-779-5710
2/17/2023

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)	\$ 80	
2-2	Specific ownership	\$ 7	
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	\$ 87	

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	\$ 1	
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 District No. 6	\$ 86	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 87	

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 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 debt</div>	<input type="checkbox"/>	<input type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Lease Liabilities	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie 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? If yes: How much? \$ 1,589,380,000.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized: 11/3/2015		
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? 	<input type="checkbox"/>	<input checked="" type="checkbox"/>
What is the original date of the lease? 		
Number of years of lease? 		
Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
What are the annual lease payments? \$ -		

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 AND RIGHT-TO-USE ASSETS

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

Yes No

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

N/A - The District has no capital assets

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

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

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

Yes No

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

Indicate the contributions from:

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

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

\$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

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

Yes No N/A

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

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 100

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:

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:

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	10.000
Total mills	10.000

Please use this space to provide any explanations or comments:

10-3: Public improvements including street improvements, parks and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security.

10-4: The District is affiliated with Hess Ranch 4, and 6-8 to perform the services as described in the Service Plan.

PART 11 - GOVERNING BODY APPROVAL

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

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

Policy - Requirements

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

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

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

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

Print the names of ALL members of current governing body below.		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Print Board Member's Name Robert L. Eck, II	I Robert L. Eck, II, 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 2	Print Board Member's Name Bradley Lenz	I Bradley Lenz, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Bradley Lenz</u> Date: <u>2/28/2023</u> My term Expires: May 2025
Board Member 3	Print Board Member's Name Donald Guerra	I Donald Guerra, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Donald R. Guerra</u> Date: <u>2/28/2023</u> My term Expires: May 2025
Board Member 4	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



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
Hess Ranch Metropolitan District No. 5
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Hess Ranch Metropolitan District No. 5 as of and for the year ended December 31, 2022, 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 Hess Ranch Metropolitan District No. 5.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
February 17, 2023

**HESS RANCH METRO DISTRICT NO. 6
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**HESS RANCH METRO DISTRICT NO. 6
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022**

INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	28
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	29
OTHER INFORMATION	
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	31
SCHEDULE OF DEBT MATURITY	32



6025 SOUTH QUEBEC STREET, SUITE 260
CENTENNIAL, COLORADO 80111
303-792-3020 (o) | 303-232-7237 (f)
WWW.WCRCPA.COM

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hess Ranch Metropolitan District No. 6
Douglas County, Colorado

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Hess Ranch Metropolitan District No. 6, Douglas County, Colorado, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Hess Ranch Metropolitan District No. 6's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Hess Ranch Metropolitan District No. 6, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hess Ranch Metropolitan District No. 6 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Hess Ranch Metropolitan District No. 6's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hess Ranch Metropolitan District No. 6's ability to continue as a going concern for twelve months beyond the

financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hess Ranch Metropolitan District No. 6's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hess Ranch Metropolitan District No. 6's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has not presented Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basis financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial

statements in an appropriate operational, economic, or historical context. Our opinion on the basis financial statements is not affected by the missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Hess Ranch Metropolitan District No. 6's basic financial statements. The supplemental information listed in the table of contents are presented for the purpose of additional analysis and was not a required part of the financial statements.

The supplemental schedules of Debt Service Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual and Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Debt Service Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual and Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual are fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

The Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected and Schedule of Debt Maturity have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express any opinion or provide any assurance on them.

Watson Coon Ryan, LLC

Watson Coon Ryan, LLC
June 8, 2023
Centennial, Colorado

BASIC FINANCIAL STATEMENTS

**HESS RANCH METRO DISTRICT NO. 6
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 42,150
Cash and Investments - Restricted	14,365,552
Sureties	4,393,777
Prepaid Expense	15,052
Property Taxes Receivable	7
Due from District No. 4	5,007
Due from District No. 5	1
Capital Assets:	
Capital Assets, Not Being Depreciated	56,807,267
Total Assets	75,628,813
LIABILITIES	
Accounts Payable	137,114
Retainage Payable	150,629
Accrued Interest Payable	133,333
Noncurrent Liabilities:	
Due in More Than One Year	96,304,332
Total Liabilities	96,725,408
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	7
Total Deferred Inflows of Resources	7
NET POSITION	
Restricted for:	
Emergency Reserves	3,100
Unrestricted	(21,099,702)
Total Net Position	\$ (21,096,602)

See accompanying Notes to Basic Financial Statements.

**HESS RANCH METRO DISTRICT NO. 6
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Government Activities:					
General Government	\$ 130,225	\$ -	\$ -	\$ -	
Interest and Related Costs on Long-Term Debt	6,339,669	-	-	-	
Total Governmental Activities	\$ 6,469,894	\$ -	\$ -	\$ -	
 GENERAL REVENUES					
Property Taxes				7	
Specific Ownership Taxes				1	
Transfers from District No. 4				790,780	
Transfers from District No. 5				86	
Net Investment Income				277,877	
Total General Revenues				1,068,751	
 CHANGE IN NET POSITION					
Net Position - Beginning of Year				(15,695,459)	
 NET POSITION - END OF YEAR					
				\$ (21,096,602)	

See accompanying Notes to Basic Financial Statements.

**HESS RANCH METRO DISTRICT NO. 6
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 42,150	\$ -	\$ -	\$ 42,150
Cash and Investments - Restricted	3,100	7,157,960	7,204,492	14,365,552
Sureties	-	-	4,393,777	4,393,777
Due from District No. 4	650	4,357	-	5,007
Due from District No. 5	1	-	-	1
Prepaid Insurance	15,052	-	-	15,052
Property Tax Receivable	7	-	-	7
	<u>\$ 60,960</u>	<u>\$ 7,162,317</u>	<u>\$ 11,598,269</u>	<u>\$ 18,821,546</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 19,095	\$ 51,368	\$ 66,651	\$ 137,114
Retainage Payable	-	-	150,629	150,629
Total Liabilities	<u>19,095</u>	<u>51,368</u>	<u>217,280</u>	<u>287,743</u>
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	7	-	-	7
Total Deferred Inflows or Resources	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
FUND BALANCES				
Nonspendable for:				
Prepaid Items	15,052	-	-	15,052
Restricted for:				
Emergency Reserves	3,100	-	-	3,100
Debt Service	-	7,110,949	-	7,110,949
Capital Projects	-	-	11,380,989	11,380,989
Assigned to:				
Subsequent Year's Expenditures	23,706	-	-	23,706
Total Fund Balances	<u>41,858</u>	<u>7,110,949</u>	<u>11,380,989</u>	<u>18,533,796</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 60,960</u>	<u>\$ 7,162,317</u>	<u>\$ 11,598,269</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				56,807,267
Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds Payable				(88,848,628)
Accrued Bond Interest				(8,541,082)
Original Issue Discount				1,342,782
Developer Advance Payable - Capital				(3,952)
Developer Advance Payable - O&M				(342,340)
Accrued Interest on Developer Advances - Capital				(75)
Accrued Interest on Developer Advances - O&M				(44,370)
Net Position of Governmental Activities				<u>\$ (21,096,602)</u>

See accompanying Notes to Basic Financial Statements.

HESS RANCH METRO DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 7	\$ -	\$ -	\$ 7
Specific Ownership Taxes	1	-	-	1
Transfers from District No. 4	102,699	688,081	-	790,780
Transfers from District No. 5	86	-	-	86
Net Investment Income	-	126,269	151,608	277,877
Total Revenues	<u>102,793</u>	<u>814,350</u>	<u>151,608</u>	<u>1,068,751</u>
EXPENDITURES				
Current:				
Accounting	54,124	-	8,877	63,001
Audit	5,200	-	-	5,200
Dues and Licenses	1,402	-	-	1,402
Insurance	16,065	-	-	16,065
Election	910	-	-	910
Engineering	-	-	7,706	7,706
Legal	19,674	-	16,267	35,941
Debt Service:				
Bond Interest - Series 2020A-1	-	1,600,000	-	1,600,000
Bond Interest - Series 2022C	-	2,522	-	2,522
Bond Issue Costs	-	-	842,241	842,241
Paying Agent Fees	-	7,500	-	7,500
Town Infrastructure Payment	-	51,347	-	51,347
Capital Outlay:				
Capital Outlay	-	-	12,145,452	12,145,452
Total Expenditures	<u>97,375</u>	<u>1,661,369</u>	<u>13,020,543</u>	<u>14,779,287</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,418	(847,019)	(12,868,935)	(13,710,536)
OTHER FINANCING SOURCES (USES)				
Transfers from (to) Other Funds	-	2,501	(2,501)	-
Developer Advance	40,000	-	11,342,677	11,382,677
Bond Proceeds - Series 2022C	-	-	17,319,000	17,319,000
Original Issue Discount	-	-	(1,354,173)	(1,354,173)
Repay Developer Advance	-	-	(11,342,677)	(11,342,677)
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>2,501</u>	<u>15,962,326</u>	<u>16,004,827</u>
NET CHANGE IN FUND BALANCES	45,418	(844,518)	3,093,391	2,294,291
Fund Balances (Deficits) - Beginning of Year	<u>(3,560)</u>	<u>7,955,467</u>	<u>8,287,598</u>	<u>16,239,505</u>
FUND BALANCES - END OF YEAR	<u>\$ 41,858</u>	<u>\$ 7,110,949</u>	<u>\$ 11,380,989</u>	<u>\$ 18,533,796</u>

See accompanying Notes to Basic Financial Statements.

**HESS RANCH METRO DISTRICT NO. 6
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 2,294,291

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay 12,145,452

Long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond Issuance - 2022C	(17,319,000)
Bond Discount	1,354,173
Developer Advance Payable - Capital	(11,342,677)
Developer Advance Payable - O&M	(40,000)
Repayment of Developer Advance - Capital	11,338,725

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Bond Interest - Change in Liability	(3,797,106)
Amortization of Bond Discount	(11,391)
Accrued Interest on Developer Advances - Capital	(4,027)
Accrued Interest on Developer Advances - O&M	(23,535)
	<u>(23,535)</u>

Changes in Net Position of Governmental Activities \$ (5,401,143)

**HESS RANCH METRO DISTRICT NO. 6
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 7	\$ 7	\$ -
Specific Ownership Tax	1	1	-
Transfers from District No. 4	109,163	102,699	(6,464)
Transfers from District No. 5	85	86	1
Total Revenues	<u>109,256</u>	<u>102,793</u>	<u>(6,463)</u>
EXPENDITURES			
Current:			
Accounting	55,000	54,124	876
Audit	5,000	5,200	(200)
Legal	35,000	19,674	15,326
Insurance	14,500	16,065	(1,565)
Dues and Licenses	2,500	1,402	1,098
Election	2,000	910	1,090
Contingency	6,000	-	6,000
Total Expenditures	<u>120,000</u>	<u>97,375</u>	<u>22,625</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,744)	5,418	16,162
OTHER FINANCING SOURCES (USES)			
Developer Advance	15,000	40,000	25,000
Total Other Financing Sources	<u>15,000</u>	<u>40,000</u>	<u>25,000</u>
NET CHANGE IN FUND BALANCE	4,256	45,418	41,162
Fund Balance (Deficit) - Beginning of Year	<u>1,936</u>	<u>(3,560)</u>	<u>(5,496)</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,192</u>	<u>\$ 41,858</u>	<u>\$ 35,666</u>

See accompanying Notes to Basic Financial Statements.

**HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Hess Ranch Metro District No. 6, a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court on May 23, 2016 and is governed pursuant to provisions of Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado. The District was established to provide construction, installation, financing, and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 4, Hess Ranch No. 5, Hess Ranch No. 7, and Hess Ranch No. 8. The District serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and inter-governmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting, unless otherwise indicated.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

**HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 42,150
Cash and Investments - Restricted	14,365,552
Total Cash and Investments	\$ 14,407,702

Cash and investments as of December 31, 2022 consist of the following:

Deposits with Financial Institutions	\$ 672,453
Investments	13,735,249
Total Cash and Investments	\$ 14,407,702

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

**HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the District's deposits with financial institutions had a bank balance and a carrying balance of \$672,453.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- . Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2022 the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (COLOTRUS PLUS+)	Weighted-Average Under 60 Days	\$ 13,735,249

**HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor’s. COLOTRUST EDGE is rated AAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	Balance - December 31, 2021	Additions	Reductions	Balance - December 31, 2022
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 44,661,815	\$ 12,145,452	\$ -	\$ 56,807,267
Total Capital Assets, Not Being Depreciated	<u>\$ 44,661,815</u>	<u>\$ 12,145,452</u>	<u>\$ -</u>	<u>\$ 56,807,267</u>

HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
Bonds Payable					
Limited Tax General Obligation Bonds					
Series 2020A-1 - Principal	\$ 32,000,000	\$ -	\$ -	\$ 32,000,000	\$ -
Limited Tax General Obligation and Convertible Capital Appreciation Bonds:					
Series 2020A-2 - Principal	30,162,628	-	-	30,162,628	-
Series 2020A-2 - Accrued Interest	3,211,662	1,919,022	-	5,130,684	-
Subordinate Limited Tax General Obligation Bonds:					
Series 2020B - Principal	9,367,000	-	-	9,367,000	-
Series 2020B - Accrued Interest	1,398,981	861,279	-	2,260,260	-
Junior Limited Tax General Obligation Bonds:					
Series 2022C - Principal	-	17,319,000	-	17,319,000	-
Series 2022C - Accrued Interest	-	1,019,327	2,522	1,016,805	-
Bond Discount - 2022C	-	(1,354,173)	(11,391)	(1,342,782)	-
Subtotal of Bonds Payable	<u>76,140,271</u>	<u>19,764,455</u>	<u>(8,869)</u>	<u>95,913,595</u>	<u>-</u>
Other Debts					
Developer Advances - Capital	-	11,342,677	11,338,725	3,952	-
Developer Advances - O&M	302,340	40,000	-	342,340	-
Accrued Interest on Developer:					
Advances - Capital	-	4,027	3,952	75	-
Advances - O&M	20,835	23,535	-	44,370	-
Subtotal of Other Debts	<u>323,175</u>	<u>11,410,239</u>	<u>11,342,677</u>	<u>390,737</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 76,463,446</u>	<u>\$ 31,174,694</u>	<u>\$ 11,333,808</u>	<u>\$ 96,304,332</u>	<u>\$ -</u>

The detail of the District's long-term obligation is as follows:

Series 2020 Bonds

The District issued Limited Tax General Obligation Bonds, Series 2020A-1 (the 2020A-1 Senior Bonds), Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2020A-2 (the 2020A-2 Senior Bonds, and with the 2020A-1 Senior Bonds, the Senior Bonds), and Subordinate Limited Tax General Obligation Bonds, Series 2020B (the Subordinate Bonds, and together with the Senior Bonds, the Series 2020 Bonds) on March 13, 2020, in the par amounts of \$32,000,000 for the 2020A-1 Senior Bonds, \$30,162,627.60 (value at issuance) and \$44,140,000 (value at conversion date) for the 2020A-2 Senior Bonds, and \$9,367,000 for the Subordinate Bonds. Proceeds from the sale of the Senior Bonds were used to: (i) finance public improvements related to the development; (ii) fund capitalized interest on the 2020A-1 Senior Bonds; (iii) fund an initial deposit to the Senior Surplus Fund; and (iv) pay the costs of issuance of the Series 2020 Bonds. Proceeds of the Subordinate Bonds were used to finance additional public improvements related to the development.

HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2020A-1 Senior Bonds Details

The 2020A-1 Senior Bonds bear interest at 5.000% per annum and are payable semiannually on June 1 and December 1, beginning on June 1, 2020. The 2020A-1 Senior Bonds mature on December 1, 2049. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2029. To the extent principal of any 2020A-1 Senior Bonds is not paid when due, such principal shall remain outstanding until the Senior Bonds Termination Date of December 1, 2059 and shall continue to bear interest at the rate then borne by the 2020A-1 Senior Bonds. To the extent interest on any 2020A-1 Senior Bond is not paid when due, such interest shall compound semiannually on each interest payment date (June 1 and December 1) at the rate borne by the 2020A-1 Senior Bonds. If any amount of principal or interest due on the 2020A-1 Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged. The 2020A-1 Senior Bonds are not subject to acceleration. The 2020A-1 Senior Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the 2020A-1 Senior Bonds.

2020A-2 Senior Bonds Details

The 2020A-2 Senior Bonds were issued as capital appreciation bonds and automatically convert to current interest bonds on December 1, 2026. Prior to conversion to current interest bonds, the 2020A-2 Senior Bonds do not pay current interest and accrete in value at an annual yield equal to 5.750%. The accreted amount compounds semiannually on each interest payment date (June 1 and December 1), beginning June 1, 2020, to and including December 1, 2026. Such accreted amount, together with the original principal amount of the 2020A-2 Senior Bonds, bears interest at the interest rate borne by the 2020A-2 Senior Bonds upon conversion to current interest bonds.

The accreted principal balance at conversion on December 1, 2026, will be \$44,140,000. Upon conversion to current interest bonds, the 2020A-2 Senior Bonds will bear interest at a rate of 5.750%, payable semiannually on June 1 and December 1, commencing on June 1, 2027. Annual principal payments are due on December 1 of each year beginning December 1, 2029. The 2020A-2 Senior Bonds mature on December 1, 2049.

On and after conversion to current interest bonds, to the extent principal of any 2020A-2 Senior Bonds is not paid when due, such principal shall remain outstanding until the Senior Bonds Termination Date and shall continue to bear interest at the rate then borne by the 2020A-2 Senior Bonds. To the extent interest on any 2020A-2 Senior Bonds is not paid when due, such unpaid interest shall compound semiannually on each interest payment date (June 1 and December 1) at the rate borne by the 2020A-2 Senior Bonds. If any amount of principal or interest due on the 2020A-2 Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged. The 2020A-2 Senior Bonds are not subject to acceleration. The 2020A-2 Senior Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the 2020A-2 Senior Bonds.

**HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bonds Optional Redemption

The Senior Bonds are subject to redemption prior to maturity, at the option of the District (or with respect to the redemption of the 2020A-2 Senior Bonds, prior to the 2020A-2 Current Interest Conversion Date), on March 1, 2025, 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 (or, with respect to the redemption of the 2020A-2 Bonds, prior to the 2020A-2 Current Interest Conversion Date, upon payment of the accreted value and a redemption premium equal to a percentage of the accreted value so redeemed), as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00%
March 1, 2027, to February 28, 2028	1.00%
March 1, 2028, and Thereafter	0.00%

Senior Pledged Revenue

The Senior Bonds are secured by and payable from moneys derived by the District from the following sources: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; (c) all Senior PILOT (payment in lieu of taxes) Revenues; (d) all Senior Capital Fee Revenues, if any; (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Property Tax Revenues means all moneys derived from imposition by the Taxing Districts of the Senior Required Mill Levy. Senior 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 and do not include specific ownership tax revenues.

Senior Specific Ownership Tax Revenues means the specific ownership taxes remitted to the Taxing Districts as a result of their imposition of the Senior Required Mill Levy.

Senior PILOT Revenues means all revenues derived from any PILOT relating to the Senior Required Mill Levy imposed by any Taxing District.

Senior Capital Fee Revenues means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed now or after the issuance of the 2020B Subordinate Bonds by a Taxing District, or any Taxing District-owned "enterprise" under Article X, Section 20 of the State Constitution, for services, programs, or facilities furnished by a Taxing District; and including the revenue derived from any action to enforce the collection of Capital Fees, and the revenue derived from the sale or other disposition of property acquired by a Taxing District from any action to enforce the collection of Capital Fees.

HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Required Mill Levy

Pursuant to the Senior Capital Pledge Agreement between the Taxing Districts and the Trustee, the Taxing Districts have covenanted to impose an ad valorem mill levy upon all taxable property of each Taxing District each year in an amount determined by the District which maintains the Relative Required Mill Levy Ratio (defined below) that, when combined with moneys then on deposit in the Senior Bond Fund (and, for the last Mill Levy Certification Date, the Senior Surplus Fund), would generate Senior Property Tax Revenues and Senior PILOT (payment in lieu of taxes) Revenues relating to the Senior Required Mill Levy sufficient, together with the Senior Property Tax Revenues and Senior PILOT Revenues (if any) resulting from or relating to the Infrastructure Capital Mill Levy imposed by all Taxing Districts, to pay debt service on the Senior Bonds and, if necessary, an amount sufficient to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, but (i) not in excess of the applicable Maximum Required Mill Levy, and (ii) until the Maximum Surplus Amount has been accumulated in the Senior Surplus Fund, not less than the Maximum Required Mill levy for each Taxing District, or such lesser mill levy which will pay debt service on the Senior Bonds when due and fund the Senior Surplus Fund to the Maximum Surplus Amount. The foregoing minimum and maximum mill levies are subject to adjustment to reflect changes in the method of calculating assessed valuation on or after January 1, 2019.

Events of Default of the Senior Bonds

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Senior Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Senior Indenture.

Subordinate Bonds Details

The Subordinate Bonds bear interest at the rate of 8.000% per annum and are payable annually on December 15, beginning December 15, 2020 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15.

If any amount of principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available on the Subordinate Bonds Termination Date of December 15, 2059, such unpaid amount will be deemed discharged. The Subordinate Bonds are not subject to acceleration. The Subordinate Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Subordinate Bonds.

**HESS RANCH METRO DISTRICT NO. 6
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Subordinate Bonds Optional Redemption

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2025, 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:

Date of Redemption	Redemption Premium
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00%
March 1, 2027, to February 28, 2028	1.00%
March 1, 2028, and Thereafter	0.00%

Subordinate Pledged Revenue

The Subordinate Bonds are secured by and payable from moneys derived by the District from the following sources: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; (c) all Subordinate PILOT (payment in lieu of taxes) Revenues; (d) all Subordinate Capital Fee Revenues, if any; (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Bond Fund.

Subordinate Property Tax Revenues means all moneys derived from imposition by the Taxing Districts of the Subordinate Required Mill Levy. Subordinate 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 and do not include specific ownership tax revenues.

Subordinate Specific Ownership Tax Revenues means the specific ownership taxes remitted to the Taxing Districts as a result of their imposition of the Subordinate Required Mill Levy.

Subordinate PILOT Revenues means all revenues derived from any PILOT relating to the Subordinate Required Mill Levy imposed by any Taxing District.

Subordinate Capital Fee Revenues means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior Obligations.

HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Subordinate Required Mill Levy

Pursuant to the Subordinate Capital Pledge Agreement, each Taxing District has covenanted to impose an ad valorem mill levy upon all taxable property of the respective Taxing District each year in an amount equal to: (i) the applicable Maximum Required Mill Levy less the then applicable Senior Obligation Mill Levy, or (ii) such lesser amounts determined by the District which maintains the Relative Required Mill Levy Ratio and that will generate Subordinate Property Tax Revenues and Subordinate PILOT Revenues (if any) relating to the Subordinate Required Mill Levy which, together with the Subordinate Infrastructure Capital Mill Levy Revenues (if any) would be sufficient to pay the Subordinate Bonds.

Senior Obligation Mill levy means the ad valorem property tax levy required to be imposed by the Taxing Districts for the payment of Senior Obligations (excluding the Infrastructure Capital Mill Levy).

Subordinate Bonds Debt Service

The annual debt service requirements of the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

Events of Default of the Subordinate Bonds

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Subordinate Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Subordinate Indenture.

Series 2022 Bonds

The District issued the Junior Bonds on April 14, 2022, in the par amount of \$17,319,000 (the Junior Bonds). Proceeds from the sale of the Junior Bonds were used to finance public improvements related to the Development and pay the costs of issuance of the Junior Bonds.

Details of the Junior Bonds

The Junior Bonds bear interest at the rate of 8.25% per annum and are payable annually on December 15, beginning on December 15, 2022, from, and to the extent of, available Junior Pledged Revenue available, if any, pursuant to a mandatory redemption. The Junior Bonds mature on December 15, 2052.

The Junior Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Junior Bonds compounds annually on each December 15. If any amount of principal or interest on the Junior Bonds remains unpaid after the application of all Junior Pledged Revenue available on the Junior Bonds Termination Date of December 15, 2062, such unpaid amount will be deemed discharged. The Junior Bonds are not subject to acceleration. The Junior Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Junior Bonds

**HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Details of the Junior Bonds (Continued)

Payments on the Junior Bonds are to be made annually from any Junior Pledged Revenue after all payments required to be paid on the Senior Bonds, any Parity Bonds under the 2020A Senior Indenture, the Subordinate Bonds, and any Parity Bonds under the 2020B Subordinate Indenture, in such calendar year have been made.

Junior Bonds Optional Redemption

The Junior Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2025, 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:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00%
March 1, 2027, to February 29, 2028	1.00%
March 1, 2028, and Thereafter	0.00%

Junior Pledged Revenue

The Junior Bonds are secured by and payable from moneys derived by the District from the following sources: (a) all Junior Property Tax Revenues; (b) all Junior Specific Ownership Tax Revenues; (c) all Junior PILOT (payment in lieu of taxes) Revenues; (d) all Junior Capital Fee Revenues, if any; (e) all Junior Infrastructure Capital Mill Levy Revenues, if any; and (f) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Bond Fund.

Junior Property Tax Revenues means all moneys derived from imposition by the Taxing Districts of the Junior Required Mill Levy. Junior 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 and do not include specific ownership tax revenues.

Junior Specific Ownership Tax Revenues means the specific ownership taxes remitted to the Taxing Districts as a result of their imposition of the Junior Required Mill Levy.

Junior PILOT Revenues means all revenues derived from any PILOT relating to the Junior Required Mill Levy imposed by any Taxing District.

Junior Capital Fee Revenues means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior Obligations and Subordinate Obligations.

**HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Junior Pledged Revenue (Continued)

Junior Infrastructure Capital Mill Levy Revenues means the following revenues to the extent remaining after deduction of any amount applied to the payment of any Senior Obligations and Subordinate Obligations: (i) all moneys derived from imposition by the Taxing Districts of the Infrastructure Capital Mill Levy (inclusive of specific ownership taxes, but net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County); and (ii) all revenues derived from any PILOT relating to the Infrastructure Capital Mill Levy imposed by any Taxing District.

Junior Required Mill Levy

Pursuant to the Junior Capital Pledge Agreement, each Taxing District has covenanted to impose an ad valorem mill levy upon all taxable property of the respective Taxing District each year in an amount equal to: (i) the applicable Maximum Required Mill Levy less the then applicable Senior Obligation Mill Levy and Subordinate Obligation Mill Levy, or (ii) such lesser amounts determined by the District which maintains the Relative Required Mill Levy Ratio and that will generate Junior Property Tax Revenues and Junior PILOT Revenues (if any) relating to the Junior Required Mill Levy which, together with the Junior Infrastructure Capital Mill Levy Revenues (if any) would be sufficient to pay the Junior Bonds and any other Additional Junior Obligations in full in the year of collection.

Maximum Required Mill Levy means: (i) with respect to the Residential Taxing Districts (District Nos. 4, 5, 6, and 7), 57 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2019); and (ii) with respect to District No. 8, 30 mills. Relative Required Mill Levy Ratio means the relationship of the Senior Required Mill Levies imposed by the Taxing Districts vis a vis each other represented by the imposition of 57 mills (as adjusted) for each of the Residential Taxing Districts and 30 mills for District No. 8.

Senior Obligation Mill Levy means the ad valorem property tax levy required to be imposed by the Taxing Districts for the payment of Senior Obligations (excluding the Infrastructure Capital Mill Levy). Subordinate Obligation Mill levy means the ad valorem property tax levy required to be imposed by the Taxing Districts for the payment of Subordinate Obligations (excluding the Infrastructure Capital Mill Levy).

Junior Bonds Debt Service

The annual debt service requirements of the Junior Bonds are not currently determinable since they are payable only from available Junior Pledged Revenue.

**HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The Taxing Districts

The District was organized simultaneously with Hess Ranch Metropolitan District No. 4 (District No. 4), Hess Ranch Metropolitan District No. 5 ("District No. 5), Hess Ranch Metropolitan District No. 7 (District No. 7), and Hess Ranch Metropolitan District No. 8 (District No. 8). District No. 6 is the Issuing District. District No. 4, District No. 5, District No. 7, and District No. 8, together with District No. 6, are referred to herein as the Taxing Districts. District No. 4, District No. 5, District No. 6, and District No. 7 are residential districts and District No. 8 is a commercial district. District No. 4, District No. 5, District No. 7, and District No. 8 are required to transfer proceeds from their debt service mill levies to District No. 6, or to the Trustee in accordance with the Pledge Agreements, to be applied to debt service.

Town Intergovernmental Agreements

Each of the Taxing Districts has entered into a separate intergovernmental agreement with the Town of Parker (collectively, the Town IGAs). The Town IGAs provide that the Taxing Districts impose the Infrastructure Capital Mill Levy (5.000 mills, subject to adjustment) and use the proceeds for Regional Infrastructure. The Town IGAs require that the proceeds of the Infrastructure Capital Mill Levy be paid by the Taxing Districts to the Town; however, the Taxing Districts are permitted to retain revenues from the Infrastructure Capital Mill Levy to the extent needed to pay debt service on obligations repayable in whole or in part from such mill levy (which includes the Bonds). The Town IGAs also provide that the Districts impose the Town Capital and Maintenance Mill Levy (5.000 mills, subject to adjustment) and use the proceeds for the planning, design, constructions and/or maintenance of Town infrastructure. The Town IGAs require that the proceeds of the Infrastructure Capital Mill Levy be paid by the Districts to the Town.

The 2020 Bonds are secured by (1) the required mill levy, (2) that portion of the specific ownership taxes collected as the result of the required mill levy, and (3) any other legally available moneys which the Board determines to apply as pledged revenue. The required mill levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, when combined with moneys held in the loan payment fund, to pay the principal of and interest on the loan when due, but not in excess by each of the Districts of 57 mills for the Maximum Debt Mills Levy, 5 mills for the Infrastructure Capital Mill Levy, and 5 mills for the Town Capital and Maintenance Mills Levy, subject to adjustment for any changes in the method of calculating assessed valuation since 2020. The adjusted maximum required mill levy for the 2021 budget is 50.000. When the debt to assessed ratio is 50% or less, the required mill levy is an ad valorem mill levy imposed upon all property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the loan when due, without limitation of rate and in amounts sufficient to make such payments when due. At December 31, 2020, the debt to assessed ratio was 80.4%.

**HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Town Intergovernmental Agreements (Continued)

The District issued \$71,529,628 in General Obligation Bonds dated March 13, 2020 and \$17,319,000 Junior Bonds dated April 14, 2022 to finance public improvements consistent with the District's Service Plan. Bond proceeds were also transferred by the bond resolution from the Capital Projects Fund to the Debt Service Fund to pay the bond interest for the subsequent construction period and to establish a reserve account.

The District's long-term obligations relating to the Series 2020 Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 1,600,000	\$ 1,600,000
2024	-	1,600,000	1,600,000
2025	-	1,600,000	1,600,000
2026	-	1,600,000	1,600,000
2027	-	4,138,050	4,138,050
2028-2032	5,005,000	20,425,788	25,430,788
2033-2037	13,010,000	18,034,139	31,044,139
2038-2042	18,770,000	13,911,551	32,681,551
2043-2047	26,230,000	8,042,773	34,272,773
2048-2049	13,125,000	1,081,499	14,206,499
Total	<u>\$ 76,140,000</u>	<u>\$ 72,033,800</u>	<u>\$ 148,173,800</u>

Authorized Debt

On November 3, 2015, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$1,589,380,000 at an interest rate not to exceed 18% per annum. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized November 5, 2015	Authorization Used - Series 2020 Bonds	Authorization Used - Series 2022 Bonds	Authorized But Unissued
Public Improvements	\$ 1,222,600,000	\$ 71,529,628	\$ 17,319,000	\$ 1,133,751,372
Operations and Maintenance	122,260,000	-	-	122,260,000
Intergovernmental Agreements	122,260,000	-	-	122,260,000
Refunding	122,260,000	-	-	122,260,000
Total	<u>\$ 1,589,380,000</u>	<u>\$ 71,529,628</u>	<u>\$ 17,319,000</u>	<u>\$ 1,500,531,372</u>

Developer Advances

Facilities Funding and Acquisition Agreement (FFAA)

On April 8, 2020, the District and Jen Colorado 18, LLC (the Developer) entered into a Facilities Funding and Acquisition Agreement to repay advances made by the Developer for capital infrastructure costs. The District agreed to repay the prior Developer for such capital advances plus accrued interest at the rate of 7.00%. As of December 31, 2022, outstanding advances under the agreement totaled \$3,952 and accrued interest totaled \$75.

**HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

Funding and Reimbursement Agreement – Operations (OFA)

On October 29, 2019, the District entered into a Funding and Reimbursement Agreement - Operations (the OFA) to repay advances made by the Developer for operations and maintenance (O&M) costs. The District agreed to repay the Developer for such O&M advances plus accrued interest at the rate of 7.00% simple interest. As of December 31, 2022, outstanding advances under the agreement totaled \$342,340 and accrued interest totaled \$44,370.

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 3,100
Total	\$ 3,100

The District has a deficit in unrestricted net position. This deficit was a result of the District being responsible for the repayment of bonds issued for public improvements.

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is JEN Colorado 18 LLC. (the Developer). The majority members of the Board of Directors are employees of, owners of, or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

**HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 AGREEMENTS

Water and Sewer Main Improvement and Financial Guarantee Agreement

On March 30, 2020, the District entered into the Water and Sewer Main Improvement and Financial Guarantee Agreement with the Parker Water and Sanitation District (PWSD) and the Developer. Per the Agreement PWSD approved certain plans to construct public improvements, and the District agreed to fund a Surety to be held by PWSD in the initial funding amount of \$1,788,984, which is 120% of estimated costs. The Surety is funded so as to provide funds to enable PWSD to undertake or complete the approved plans for public improvements in the event the District fails to complete the construction in either a timely or workmanlike manner. PWSD will release 25% of estimated costs to the District upon incremental completion intervals of 25% up until 100% completion.

The remaining 20% of estimated costs will be released after a two-year warranty period and upon obtaining final acceptance of the public improvements, less any amounts PWSD may be required to expend. As of December 31, 2022, the amount held by PWSD under this agreement is \$298,164.

Agreement Regarding Public Improvements Funding

On April 8, 2020, the District entered into the Agreement Regarding Public Improvements Funding. The Developer has entered into a certain Subdivision Agreement with the Town of Parker (SA) and a certain Financial Guarantee Agreement (FGA) with the Town of Parker. Per the Agreement the District agreed to provide initial funding for the SA Surety in the amount of \$5,599,200 and provide initial funding for the FGA Surety of \$16,962,566. Further, subject to annual appropriation by the District the District agreed to provide additional funds in the event that the Town of Parker requires additional funds to be deposited with the Town. Not more frequently than once per month, the District may submit an application to secure the release of a specified amount of the District Funds from the Town (each a "Draw Request"). Each Draw Request shall request funds necessary to fund specific progress toward the completion of the applicable Public Improvements. As of December 31, 2022, the amount held by Town of Parker under this agreement is \$4,095,613.

Post-Closing Improvements Completion Agreement

On December 30, 2020, the District entered into the Post-Closing Improvements Completion Agreement with the Developer, Land Title Guarantee Company (Escrow Agent), and Lennar Colorado, LLC (Lennar). Per the Agreement upon the first closing on real property within the district the District agreed to fund a Surety to be held by the Escrow Agent in the initial funding amount of \$10,616,796. To the extent that the construction of public improvements is within the scope of public improvements that may be paid for by drawing upon other Surety Funds, the District shall first draw upon those other Surety Funds until such time as only 20% of those Surety Funds remain or the Town of Parker or PWSD refuse to permit the drawing upon those Surety Funds. Thereafter, from time to time, but not more often than once a month, as construction of the public improvements progresses the District may submit a Draw Notice for an amount equal to the cost of the work under the applicable work contracts. As of December 31, 2022, the amount held by PWSD under this agreement is \$-0-.

**HESS RANCH METRO DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, workers' compensation, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limits must be refunded unless the voters approve retention of such revenue.

On November 3, 2015, a majority of the District's electors authorized the District to collect and spend or retain any revenue from fees other than ad valorem property taxes of the District without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**HESS RANCH METRO DISTRICT NO. 6
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Transfers from District No. 4	\$ 731,396	\$ 688,081	\$ (43,315)
Net Investment Income	<u>7,500</u>	<u>126,269</u>	<u>118,769</u>
Total Revenues	<u>738,896</u>	<u>814,350</u>	<u>75,454</u>
EXPENDITURES			
Debt Service:			
Bond Interest - Series 2020A-1	1,600,000	1,600,000	-
Bond Interest - Series 2022C	-	2,522	(2,522)
Town Infrastructure Payment	54,582	51,347	3,235
Paying Agent Fees	7,500	7,500	-
Contingency	<u>37,918</u>	<u>-</u>	<u>37,918</u>
Total Expenditures	<u>1,700,000</u>	<u>1,661,369</u>	<u>38,631</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(961,104)	(847,019)	114,085
OTHER FINANCING SOURCES (USES)			
Transfers from (to) Other Funds	<u>-</u>	<u>2,501</u>	<u>2,501</u>
Total Other Financing Sources	-	2,501	2,501
Fund Balance - Beginning of Year	<u>7,955,474</u>	<u>7,955,467</u>	<u>(7)</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,994,370</u>	<u>\$ 7,110,949</u>	<u>\$ 116,579</u>

**HESS RANCH METRO DISTRICT NO. 6
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 5,500	\$ 151,608	\$ 146,108
Total Revenues	<u>5,500</u>	<u>151,608</u>	<u>146,108</u>
EXPENDITURES			
Capital Outlay:			
Accounting	5,000	8,877	(3,877)
Legal Services	50,000	16,267	33,733
Engineering	5,000	7,706	(2,706)
Bond Issue Costs	1,104,980	842,241	262,739
Capital Outlay	<u>29,903,788</u>	<u>12,145,452</u>	<u>17,758,336</u>
Total Expenditures	<u>31,068,768</u>	<u>13,020,543</u>	<u>18,048,225</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(31,063,268)	(12,868,935)	18,194,333
OTHER FINANCING SOURCES (USES)			
Developer Advance	250,000	11,342,677	11,092,677
Bond Proceeds - Series 2022C	20,166,000	17,319,000	(2,847,000)
Original Issue Discount	-	(1,354,173)	(1,354,173)
Repay Developer Advance	(250,000)	(11,342,677)	(11,092,677)
Transfers to Other Fund	-	(2,501)	(2,501)
Total Other Financing Sources (Uses)	<u>20,166,000</u>	<u>15,962,326</u>	<u>(4,203,674)</u>
NET CHANGE IN FUND BALANCE	(10,897,268)	3,093,391	13,990,659
Fund Balance - Beginning of Year	<u>10,897,268</u>	<u>8,287,598</u>	<u>(2,609,670)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 11,380,989</u>	<u>\$ 11,380,989</u>

OTHER INFORMATION

**HESS RANCH METRO DISTRICT NO. 6
SCHEDULE OF ASSESSED VALUATION,
MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018	\$ -	0.000	\$ -	\$ -	- %
2019	-	0.000	-	-	-
2020	-	10.069	-	-	-
2021	730	10.000	7	7	100.00
2022	730	10.000	7	7	100.00
Estimated for Year Ending December 31, 2023	\$ 670	10.985	\$ 7		

NOTE:

Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

**HESS RANCH METRO DISTRICT NO. 6
SCHEDULE OF DEBT MATURITY
DECEMBER 31, 2022**

\$32,000,000
Limited Tax General Obligation
Series 2020A-1
Dated March 13, 2020
Interest Rate at 5.0%
Due June 1 and December 1
Principal Due December 1

\$30,162,628 (\$44,140,000 Value at Conversion)
Limited Tax General Obligation and Convertible
Capital Appreciation Bonds
Series 2020A-2
Dated March 13, 2020 (Conversion Date: December 1, 2026)
Interest Rate at 5.75%
Due June 1 and December 1
Principal Due December 1

	Principal Due December 1			Principal Due December 1			Grand Totals		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ -	\$ 1,600,000	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ 1,600,000	\$ 1,600,000
2024	-	1,600,000	1,600,000	-	-	-	-	1,600,000	1,600,000
2025	-	1,600,000	1,600,000	-	-	-	-	1,600,000	1,600,000
2026	-	1,600,000	1,600,000	-	-	-	-	1,600,000	1,600,000
2027	-	1,600,000	1,600,000	-	2,538,050	2,538,050	-	4,138,050	4,138,050
2028	-	1,600,000	1,600,000	-	2,538,050	2,538,050	-	4,138,050	4,138,050
2029	240,000	1,600,000	1,840,000	180,000	2,538,050	2,718,050	420,000	4,138,050	4,558,050
2030	500,000	1,588,000	2,088,000	555,000	2,527,700	3,082,700	1,055,000	4,115,700	5,170,700
2031	700,000	1,563,000	2,263,000	845,000	2,495,788	3,340,788	1,545,000	4,058,788	5,603,788
2032	880,000	1,528,000	2,408,000	1,105,000	2,447,200	3,552,200	1,985,000	3,975,200	5,960,200
2033	960,000	1,484,000	2,444,000	1,235,000	2,383,663	3,618,663	2,195,000	3,867,663	6,062,663
2034	1,060,000	1,436,000	2,496,000	1,375,000	2,312,650	3,687,650	2,435,000	3,748,650	6,183,650
2035	1,110,000	1,383,000	2,493,000	1,455,000	2,233,588	3,688,588	2,565,000	3,616,588	6,181,588
2036	1,215,000	1,327,500	2,542,500	1,615,000	2,149,925	3,764,925	2,830,000	3,477,425	6,307,425
2037	1,280,000	1,266,750	2,546,750	1,705,000	2,057,063	3,762,063	2,985,000	3,323,813	6,308,813
2038	1,395,000	1,202,750	2,597,750	1,875,000	1,959,025	3,834,025	3,270,000	3,161,775	6,431,775
2039	1,465,000	1,133,000	2,598,000	1,985,000	1,851,213	3,836,213	3,450,000	2,984,213	6,434,213
2040	1,590,000	1,059,750	2,649,750	2,175,000	1,737,075	3,912,075	3,765,000	2,796,825	6,561,825
2041	1,665,000	980,250	2,645,250	2,305,000	1,612,013	3,917,013	3,970,000	2,592,263	6,562,263
2042	1,805,000	897,000	2,702,000	2,510,000	1,479,475	3,989,475	4,315,000	2,376,475	6,691,475
2043	1,895,000	806,750	2,701,750	2,655,000	1,335,150	3,990,150	4,550,000	2,141,900	6,691,900
2044	2,040,000	712,000	2,752,000	2,895,000	1,182,488	4,077,488	4,935,000	1,894,488	6,829,488
2045	2,145,000	610,000	2,755,000	3,055,000	1,016,024	4,071,024	5,200,000	1,626,024	6,826,024
2046	2,305,000	502,750	2,807,750	3,315,000	840,362	4,155,362	5,620,000	1,343,112	6,963,112
2047	2,420,000	387,500	2,807,500	3,505,000	649,749	4,154,749	5,925,000	1,037,249	6,962,249
2048	2,600,000	266,500	2,866,500	3,790,000	448,212	4,238,212	6,390,000	714,712	7,104,712
2049	2,730,000	136,500	2,866,500	4,005,000	230,287	4,235,287	6,735,000	366,787	7,101,787
	<u>\$ 32,000,000</u>	<u>\$ 31,471,000</u>	<u>\$ 63,471,000</u>	<u>\$ 44,140,000</u>	<u>\$ 40,562,800</u>	<u>\$ 84,702,800</u>	<u>\$ 76,140,000</u>	<u>\$ 72,033,800</u>	<u>\$ 148,173,800</u>

APPLICATION FOR EXEMPTION FROM AUDIT**SHORT FORM**NAME OF GOVERNMENT
ADDRESS**Hess Ranch Metropolitan District No. 7****8390 E Crescent Parkway****Suite 300****Greenwood Village, CO 80111**CONTACT PERSON
PHONE
EMAIL**Paul Niedermuller****303-779-5710**Paul.Niedermuller@claconnect.comFor the Year Ended
12/31/22
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:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED**Paul Niedermuller****Accountant for the District****CliftonLarsonAllen LLP****8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111****303-779-5710****2/2/2023****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)	\$ -	
2-2	Specific ownership	\$ -	
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	\$ -	

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		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ -	

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 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 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)				
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Lease Liabilities	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie 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? If yes: How much? \$ 1,589,380,000.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized: 11/3/2015		
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? 	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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 AND RIGHT-TO-USE ASSETS

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

Yes No

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

N/A - The District has no capital assets.

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

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

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

Yes No

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

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

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

Yes No N/A

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

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ -

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)]?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<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>		

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	Date of formation: <input style="width: 450px; height: 15px;" type="text"/>		
10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Please indicate what services the entity provides:		

10-4	Does the entity have an agreement with another government to provide services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
-------------	---	-------------------------------------	--------------------------

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

10-5	Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during	<input type="checkbox"/>	<input checked="" type="checkbox"/>
-------------	--	--------------------------	-------------------------------------

If yes: **Date Filed:**

10-6	Does the entity have a certified Mill Levy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
-------------	--	-------------------------------------	--------------------------

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

Bond Redemption mills	-
General/Other mills	10.000
Total mills	10.000

Please use this space to provide any explanations or comments:

10-3: Public improvements including street improvements, parks and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security.

10-4: The District is affiliated with Hess Ranch 4-6, and 8 to perform the services as described in the Service Plan.

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	Robert L. Eck, II	I Robert L. Eck, II, 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 2	Donald Guerra	I Donald Guerra, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Donald P. Guerra</u> Date: <u>5/28/2023</u> My term Expires: May 2025
Board Member 3	Bradley Lenz	I Bradley Lenz, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Bradley Lenz</u> Date: <u>5/28/2023</u> My term Expires: May 2025
Board Member 4	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



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
Hess Ranch Metropolitan District No. 7
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Hess Ranch Metropolitan District No. 7 as of and for the year ended December 31, 2022, 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 Hess Ranch Metropolitan District No. 7.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
February 2, 2023

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

**NAME OF GOVERNMENT
ADDRESS**

Hess Ranch Metropolitan District No. 8
8390 E Crescent Parkway
Suite 300
Greenwood Village, CO 80111
Paul Niedermuller
303-779-5710
Paul.Niedermuller@claconnect.com

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

**CONTACT PERSON
PHONE
EMAIL**

PART 1 - CERTIFICATION OF PREPARER

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

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

Paul Niedermuller
Accountant for the District
CliftonLarsonAllen LLP
8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
303-779-5710
2/17/2023

PREPARER (SIGNATURE REQUIRED)

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	
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ -	
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	\$ -	

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	
3-1	Administrative	\$ -	Please use this space to provide any necessary explanations
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		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ -	

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 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 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)				
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Lease Liabilities	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie 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? If yes: How much? \$ 1,589,380,000.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized: 11/3/2015		
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? 	<input type="checkbox"/>	<input checked="" type="checkbox"/>
What is the original date of the lease? 		
Number of years of lease? 		
Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
What are the annual lease payments? \$ -		

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 AND RIGHT-TO-USE ASSETS

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

Yes No

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

N/A - The District has no capital assets

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

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

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

Yes No

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

Indicate the contributions from:

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

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

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

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

Yes No N/A

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

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ -

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:

See Below

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	40.000
General/Other mills	10.000
Total mills	50.000

Please use this space to provide any explanations or comments:

10-3: Public improvements including street improvements, parks and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security.

10-4: The District is affiliated with Hess Ranch 4-7 to perform the services as described in the Service Plan.

PART 11 - GOVERNING BODY APPROVAL

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

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

Policy - Requirements

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

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

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

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

Print the names of ALL members of current governing body below.		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Print Board Member's Name Robert L. Eck, II	I Robert L. Eck, II, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Robert L. Eck II</u> Date: <u>2/28/2023</u> My term Expires: May 2023
Board Member 2	Print Board Member's Name Bradley Lenz	I Bradley Lenz, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Bradley Lenz</u> Date: <u>2/28/2023</u> My term Expires: May 2025
Board Member 3	Print Board Member's Name Donald Guerra	I Donald Guerra, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Donald R. Guerra</u> Date: <u>2/28/2023</u> My term Expires: May 2025
Board Member 4	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111

phone 303-779-5710 fax 303-779-0348
CLAcconnect.com

Accountant's Compilation Report

Board of Directors
Hess Ranch Metropolitan District No. 8
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Hess Ranch Metropolitan District No. 8 as of and for the year ended December 31, 2022, 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 Hess Ranch Metropolitan District No. 8.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
February 17, 2023

EXHIBIT B

LETTER OF BUDGET TRANSMITTAL

Date: January ³⁰ ___, 2023

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for HESS RANCH METROPOLITAN DISTRICT NO. 4 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 19, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen
Attn: Alex Fink
8390 East Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Tel.: 303-779-5710

I, Donald Guerra, as President of the Hess Ranch Metropolitan District No. 4, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: Don Guerra

RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
HESS RANCH METROPOLITAN DISTRICT NO. 4

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAID THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HESS RANCH METROPOLITAN DISTRICT NO. 4, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 4 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 19, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$111,902; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$749,746; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$11,190,240; and

WHEREAS, at an election held on November 3, 2015 the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HESS RANCH METROPOLITAN DISTRICT NO. 4 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Hess Ranch Metropolitan District No. 4 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 67.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 19th day of October 2022.

HESS RANCH METROPOLITAN
DISTRICT NO. 4

Don Guerra

President

ATTEST:

Robert L. Eck II

Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

HESS RANCH METROPOLITAN DISTRICT NO. 4

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**HESS RANCH METROPOLITAN DISTRICT NO. 4
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	41	102,501	111,902
Property taxes - Capital Pledge	231	584,257	637,844
Property taxes - Regional infrastructure	20	51,250	55,951
Property taxes - Town infrastructure	20	51,250	55,951
Specific ownership tax	4	8,200	10,071
Specific ownership tax - Capital Pledge	22	46,741	57,406
Specific ownership tax - Regional infrastructure	2	4,100	5,036
Specific ownership tax - Town infrastructure	2	4,100	5,036
Other revenue	-	-	11,803
Total revenues	<u>342</u>	<u>852,399</u>	<u>951,000</u>
Total funds available	<u>342</u>	<u>852,399</u>	<u>951,000</u>
EXPENDITURES			
General Fund	45	110,701	126,000
Debt Service Fund	297	741,698	825,000
Total expenditures	<u>342</u>	<u>852,399</u>	<u>951,000</u>
Total expenditures and transfers out requiring appropriation	<u>342</u>	<u>852,399</u>	<u>951,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

HESS RANCH METROPOLITAN DISTRICT NO. 4
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/5/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Vacant land	\$ 4,050	\$ 10,250,110	\$ 11,190,200
Other	-	-	40
Certified Assessed Value	<u>\$ 4,050</u>	<u>\$ 10,250,110</u>	<u>\$ 11,190,240</u>
MILL LEVY			
General	10.000	10.000	10.000
Debt Service	67.000	67.000	67.000
Total mill levy	<u>77.000</u>	<u>77.000</u>	<u>77.000</u>
PROPERTY TAXES			
General	\$ 41	\$ 102,501	\$ 111,902
Debt Service	271	686,757	749,746
Levied property taxes	<u>312</u>	<u>789,258</u>	<u>861,648</u>
Budgeted property taxes	<u>\$ 312</u>	<u>\$ 789,258</u>	<u>\$ 861,648</u>
BUDGETED PROPERTY TAXES			
General	\$ 41	\$ 102,501	\$ 111,902
Debt Service	271	686,757	749,746
	<u>\$ 312</u>	<u>\$ 789,258</u>	<u>\$ 861,648</u>

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	41	102,501	111,902
Specific ownership tax	4	8,200	10,071
Other revenue	-	-	4,027
Total revenues	<u>45</u>	<u>110,701</u>	<u>126,000</u>
Total funds available	<u>45</u>	<u>110,701</u>	<u>126,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	1	1,538	1,679
Contingency	-	-	4,027
Transfers to District No. 6	44	109,163	120,294
Total expenditures	<u>45</u>	<u>110,701</u>	<u>126,000</u>
Total expenditures and transfers out requiring appropriation	<u>45</u>	<u>110,701</u>	<u>126,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes - Capital Pledge	231	584,257	637,844
Property taxes - Regional infrastructure	20	51,250	55,951
Property taxes - Town infrastructure	20	51,250	55,951
Specific ownership tax - Capital Pledge	22	46,741	57,406
Specific ownership tax - Regional infrastructure	2	4,100	5,036
Specific ownership tax - Town infrastructure	2	4,100	5,036
Other revenue	-	-	7,776
Total revenues	297	741,698	825,000
Total funds available	297	741,698	825,000
EXPENDITURES			
General and administrative			
County Treasurer's fee - Capital Pledge	3	8,764	9,568
County Treasurer's fee - Regional infrastructure	1	769	839
County Treasurer's fee - Town infrastructure	-	769	839
Contingency	-	-	7,776
Transfers to District No. 6	293	731,396	805,978
Total expenditures	297	741,698	825,000
Total expenditures and transfers out requiring appropriation	297	741,698	825,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 5, Hess Ranch No. 6, Hess Ranch No. 7, and Hess Ranch No. 8. Hess Ranch No. 6 serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board 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 for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

For the portion of any aggregate District Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided (continued)

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.

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.

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

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

County Treasurer's Fees

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

Transfers to Hess Ranch Metropolitan District No. 6

Pursuant to the Master Intergovernmental Agreement, Hess Ranch Metropolitan District No. 6 will provide certain operation, maintenance and administrative services benefitting the District, Hess Ranch Metropolitan District No. 5, Hess Ranch Metropolitan District No. 6, Hess Ranch Metropolitan District No. 7, and Hess Ranch Metropolitan District No. 8 (collectively, "districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to Hess Ranch Metropolitan District No. 6.

Debt and Leases

The District has no debt and operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to Hess Ranch Metropolitan District No. 6, which pays for all Districts' operations and maintenance costs, and which provides for the required reserve amount, an Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
On behalf of the Hess Ranch Metro District 4
the Board of Directors
of the Hess Ranch Metropolitan District No. 4**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$11,190,240** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity 's total property tax revenue will be derived from the mill levy multiplied against the **NET** assessed valuation of: **\$11,190,240**

Submitted: *Rob Lange* for budget/fiscal year 2023

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	10.000 mills	\$111,902
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$111,902
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	67.000 mills	\$749,746
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	77.000 mills	\$861,648

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.). Use additional pages as necessary.

The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

- Purpose of Contract: Public infrastructure
Title: Intergovernmental Agreement

Date of Issue:	2020-03-13
Principal Amount:	\$0
Maturity Date:	2049-12-01
Levy:	57.000
Revenue:	\$637,844
2. Purpose of Contract:	Regional infrastructure
Title:	Infrastructure Capital Mill Levy
Date of Issue:	2019-08-05
Principal Amount:	\$0
Maturity Date:	
Levy:	5.000
Revenue:	\$55,951
3. Purpose of Contract:	Town Infrastructure
Title:	Town Capital and Maintenance Mill Levy
Date of Issue:	2019-08-05
Principal Amount:	\$0
Maturity Date:	
Levy:	5.000
Revenue:	\$55,951

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 14 Dec 2022

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2023

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for HESS RANCH METROPOLITAN DISTRICT NO. 5 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 19, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen
Attn: Alex Fink
8390 East Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Tel.: 303-779-5710

I, Donald Guerra, as President of the Hess Ranch Metropolitan District No. 5, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: Don Guerra

**RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
HESS RANCH METROPOLITAN DISTRICT NO. 5**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HESS RANCH METROPOLITAN DISTRICT NO. 5, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 5 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 19, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$80; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$7,260; and

WHEREAS, at an election held on November 3, 2015 the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HESS RANCH METROPOLITAN DISTRICT NO. 5 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Hess Ranch Metropolitan District No. 5 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 10.984 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 19th day of October 2022.

HESS RANCH METROPOLITAN
DISTRICT NO. 5

Don Guerra

President

ATTEST:

Robert L. Eck II

Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

HESS RANCH METROPOLITAN DISTRICT NO. 5

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**HESS RANCH METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	79	80	80
Specific ownership tax	8	6	7
Other revenue	-	-	13
Total revenues	<u>87</u>	<u>86</u>	<u>100</u>
Total funds available	<u>87</u>	<u>86</u>	<u>100</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	1	1	2
Contingency	-	-	13
Transfers to District No. 6	86	85	85
Total expenditures	<u>87</u>	<u>86</u>	<u>100</u>
Total expenditures and transfers out requiring appropriation	<u>87</u>	<u>86</u>	<u>100</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Agricultural	7,930	7,980	7,260
Certified Assessed Value	\$ 7,930	\$ 7,980	\$ 7,260

MILL LEVY

General	10.000	10.000	10.984
Total mill levy	10.000	10.000	10.984

PROPERTY TAXES

Budgeted property taxes	\$ 79	\$ 80	\$ 80
-------------------------	-------	-------	-------

BUDGETED PROPERTY TAXES

	\$ 79	\$ 80	\$ 80
--	-------	-------	-------

**HESS RANCH METROPOLITAN DISTRICT NO. 5
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 4, Hess Ranch No. 6, Hess Ranch No. 7, and Hess Ranch No. 8. Hess Ranch No. 6 serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board 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 for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

For the portion of any aggregate District Debt which is equal to or less than 50% of the District' s assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

**HESS RANCH METROPOLITAN DISTRICT NO. 5
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided - (continued)

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.

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.

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

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**HESS RANCH METROPOLITAN DISTRICT NO. 5
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

County Treasurer's Fees

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

Transfers to Hess Ranch Metropolitan District No. 6

Pursuant to the Master Intergovernmental Agreement, Hess Ranch Metropolitan District No. 6 will provide certain operation, maintenance and administrative services benefitting the District, Hess Ranch Metropolitan District No. 4, Hess Ranch Metropolitan District No. 6, Hess Ranch Metropolitan District No. 7, and Hess Ranch Metropolitan District No. 8 (collectively, "districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to Hess Ranch Metropolitan District No. 6.

Debt and Leases

The District has no debt and operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to Hess Ranch Metropolitan District No. 6, which pays for all Districts' operations and maintenance costs, and which provides for the required reserve amount, an Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
On behalf of the Hess Ranch Metro District 5
the Board of Directors
of the Hess Ranch Metropolitan District No. 5**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$7,260** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity 's total property tax revenue will be derived from the mill levy multiplied against the **NET** assessed valuation of: **\$7,260**

Submitted: *Rob Lange* for budget/fiscal year 2023

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	10.984 mills	\$80
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	10.984 mills	\$80
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	0.000 mills	\$0
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	10.984 mills	\$80

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.). Use additional pages as necessary.

The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

No Contracts Available

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 14 Dec 2022

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2023

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for HESS RANCH METROPOLITAN DISTRICT NO. 6 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 19, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen
Attn: Alex Fink
8390 East Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Tel.: 303-779-5710

I, Donald Guerra, as President of the Hess Ranch Metropolitan District No. 6, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: Don Guerra

**RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
HESS RANCH METROPOLITAN DISTRICT NO. 6**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAID THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HESS RANCH METROPOLITAN DISTRICT NO. 6, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 6 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 19, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$7; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$670; and

WHEREAS, at an election held on November 3, 2015 the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HESS RANCH METROPOLITAN DISTRICT NO. 6 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Hess Ranch Metropolitan District No. 6 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 10.985 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 19th day of October 2022.

HESS RANCH METROPOLITAN
DISTRICT NO. 6

Don Guerra

President

ATTEST:

Robert L. Eck II

Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

HESS RANCH METRO DISTRICT NO. 6

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**HESS RANCH METROPOLITAN DISTRICT NO. 6
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 35,662,329	\$ 16,239,505	\$ 17,589,017
REVENUES			
Property taxes	7	7	7
Specific Ownership tax	1	1	1
Interest income	5,127	110,000	555,000
Bond Proceeds - Series 2022C	-	17,319,000	-
Developer advance	220,485	11,540,000	6,636,417
Transfers from District No. 4	337	840,559	926,272
Transfers from District No. 5	86	85	85
Transfers from District No. 8	-	-	79
Total revenues	<u>226,043</u>	<u>29,809,652</u>	<u>8,117,861</u>
Total funds available	<u>35,888,372</u>	<u>46,049,157</u>	<u>25,706,878</u>
EXPENDITURES			
General Fund	124,758	98,815	200,000
Debt Service Fund	1,607,521	1,662,082	1,700,000
Capital Projects Fund	17,916,588	26,699,243	13,325,000
Total expenditures	<u>19,648,867</u>	<u>28,460,140</u>	<u>15,225,000</u>
Total expenditures and transfers out requiring appropriation	<u>19,648,867</u>	<u>28,460,140</u>	<u>15,225,000</u>
ENDING FUND BALANCES	<u>\$ 16,239,505</u>	<u>\$ 17,589,017</u>	<u>\$ 10,481,878</u>
EMERGENCY RESERVE	\$ -	\$ 3,300	\$ 3,700
SURPLUS FUND	5,902,134	6,606,448	6,433,823
CAPITALIZED INTEREST FUND	2,053,333	453,333	-
TOTAL RESERVE	<u>\$ 7,955,467</u>	<u>\$ 7,063,081</u>	<u>\$ 6,437,523</u>

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Agricultural	\$ 730	\$ 730	\$ 670
Certified Assessed Value	\$ 730	\$ 730	\$ 670

MILL LEVY

General	10.000	10.000	10.985
Total mill levy	10.000	10.000	10.985

PROPERTY TAXES

Budgeted property taxes	\$ 7	\$ 7	\$ 7
-------------------------	------	------	------

BUDGETED PROPERTY TAXES

\$ 7	\$ 7	\$ 7
-------------	-------------	-------------

**HESS RANCH METRO DISTRICT NO. 6
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (8,940)	\$ (3,560)	\$ 46,881
REVENUES			
Property taxes	7	7	7
Specific ownership tax	1	1	1
Transfers from District No. 4	44	109,163	120,294
Transfers from District No. 5	86	85	85
Transfers from District No. 8	-	-	15
Developer advance	130,000	40,000	36,417
Total revenues	130,138	149,256	156,819
Total funds available	121,198	145,696	203,700
EXPENDITURES			
General and administrative			
Accounting	48,389	50,000	55,000
Auditing	4,700	5,500	6,000
Dues and licenses	1,249	1,401	2,000
Election expense	-	849	2,000
Legal services	26,966	25,000	35,000
Utilities	29,983	-	40,000
Insurance and bonds	13,471	16,065	17,000
Contingency	-	-	43,000
Total expenditures	124,758	98,815	200,000
Total expenditures and transfers out requiring appropriation	124,758	98,815	200,000
ENDING FUND BALANCE	\$ (3,560)	\$ 46,881	\$ 3,700
EMERGENCY RESERVE	\$ -	\$ 3,300	\$ 3,700
TOTAL RESERVE	\$ -	\$ 3,300	\$ 3,700

No assurance provided. See summary of significant assumptions.

**HESS RANCH METRO DISTRICT NO. 6
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 9,559,200	\$ 7,955,467	\$ 7,059,781
REVENUES			
Interest income	3,495	35,000	268,000
Transfers from District No. 4	293	731,396	805,978
Transfers from District No. 8	-	-	64
Total revenues	<u>3,788</u>	<u>766,396</u>	<u>1,074,042</u>
Total funds available	<u>9,562,988</u>	<u>8,721,863</u>	<u>8,133,823</u>
EXPENDITURES			
General and administrative			
Debt Service			
Bond interest	1,600,000	1,600,000	1,600,000
Paying agent fees	7,500	7,500	7,500
Contingency	-	-	32,344
Town infrastructure payment	21	54,582	60,156
Total expenditures	<u>1,607,521</u>	<u>1,662,082</u>	<u>1,700,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,607,521</u>	<u>1,662,082</u>	<u>1,700,000</u>
ENDING FUND BALANCE	<u>\$ 7,955,467</u>	<u>\$ 7,059,781</u>	<u>\$ 6,433,823</u>
SURPLUS FUND	\$ 5,902,134	\$ 6,606,448	\$ 6,433,823
CAPITALIZED INTEREST FUND	2,053,333	453,333	-
TOTAL RESERVE	<u>\$ 7,955,467</u>	<u>\$ 7,059,781</u>	<u>\$ 6,433,823</u>

No assurance provided. See summary of significant assumptions.

**HESS RANCH METRO DISTRICT NO. 6
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 26,112,069	\$ 8,287,598	\$ 10,482,355
REVENUES			
Bond proceeds	-	17,319,000	-
Developer advance	90,485	11,500,000	6,600,000
Interest income	1,632	75,000	287,000
Total revenues	<u>92,117</u>	<u>28,894,000</u>	<u>6,887,000</u>
Total funds available	<u>26,204,186</u>	<u>37,181,598</u>	<u>17,369,355</u>
EXPENDITURES			
Capital Projects			
Accounting	1,150	5,000	5,000
Bond Issue Costs	-	807,570	-
Capital outlay	11,791,488	13,000,000	6,662,500
Engineering	875	7,500	7,500
Legal services	136,605	25,000	50,000
Repay developer advance	200,288	11,500,000	6,600,000
Total expenditures	<u>17,916,588</u>	<u>26,699,243</u>	<u>13,325,000</u>
Total expenditures and transfers out requiring appropriation	<u>17,916,588</u>	<u>26,699,243</u>	<u>13,325,000</u>
ENDING FUND BALANCE	<u>\$ 8,287,598</u>	<u>\$ 10,482,355</u>	<u>\$ 4,044,355</u>

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 4, Hess Ranch No. 5, Hess Ranch No. 7, and Hess Ranch No. 8. The District serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board 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 for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

For the portion of any aggregate District Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided - (continued)

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.

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.

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

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

Developer Advances

The District's general and administrative costs in 2023 will be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bonds proceeds and other legally available revenue.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

Transfers from Hess Ranch Metropolitan District Nos. 4-5 and 8

Pursuant to the Master Intergovernmental Agreement, the District will provide certain operation, maintenance, and administrative services benefiting the District, Hess Ranch Metropolitan District No. 4, Hess Ranch Metropolitan District No. 5, Hess Ranch Metropolitan District No. 7, and Hess Ranch Metropolitan District No. 8 (collectively, "districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to the District.

Expenditures

Capital Outlay

The District anticipates capital outlay as outlined in the Capital Project Fund.

General and Administrative Expenditures

General and administrative expenditures include the estimated cost of services necessary to maintain the District's administrative viability such as legal, accounting, insurance, membership dues, election and other administrative expenditures.

Debt Service

Principal and interest payments in 2023 are provided based on the debt amortization schedule from the Series 2020A-1 and Series 2020A-2 Bonds (discussed under Debt and Leases). There is no debt amortization schedule provided for the Series 2020B and 2022C Subordinate Bonds as the Bonds are cash flow bonds and the timing of the payments are unknown.

Town Infrastructure Payment

Each of the Taxing Districts has entered into a separate intergovernmental agreement with the Town of Parker (collectively, the "Town IGAs"). The Town IGAs provide that the Taxing Districts impose the Town Capital Mill Levy (5.000 mills, subject to adjustment) to be used for the planning, design, and/or maintenance of Town infrastructure. As the operating district, all related revenues are transferred from the other districts and paid to the Town by the District.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Series 2020 Bonds

The District issued Limited Tax General Obligation Bonds, Series 2020A-1 (the 2020A-1 Senior Bonds), Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2020A-2 (the 2020A-2 Senior Bonds, and with the 2020A-1 Senior Bonds, the Senior Bonds), and Subordinate Limited Tax

General Obligation Bonds, Series 2020B (the Subordinate Bonds, and together with the Senior Bonds, the Bonds) on March 13, 2020, in the par amounts of \$32,000,000 for the 2020A-1 Senior Bonds, \$30,162,627.60 (value at issuance) and \$44,140,000 (value at conversion date) for the 2020A-2 Senior Bonds, and \$9,367,000 for the Subordinate Bonds.

Proceeds from the sale of the Senior Bonds were used to: (i) finance public improvements related to the development; (ii) fund capitalized interest on the 2020A-1 Senior Bonds; (iii) fund an initial deposit to the Senior Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds of the Subordinate Bonds were used to finance additional public improvements related to the development.

2020A-1 Senior Bonds Details

The 2020A-1 Senior Bonds bear interest at 5.000% per annum and are payable semiannually on June 1 and December 1, beginning on June 1, 2020. The 2020A-1 Senior Bonds mature on December 1, 2049. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2029.

To the extent principal of any 2020A-1 Senior Bonds is not paid when due, such principal shall remain outstanding until the Senior Bonds Termination Date of December 1, 2059, and shall continue to bear interest at the rate then borne by the 2020A-1 Senior Bonds. To the extent interest on any 2020A-1 Senior Bond is not paid when due, such interest shall compound semiannually on each interest payment date (June 1 and December 1) at the rate borne by the 2020A-1 Senior Bonds. If any amount

of principal or interest due on the 2020A-1 Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged.

2020A-2 Senior Bonds Details

The 2020A-2 Senior Bonds were issued as capital appreciation bonds and automatically convert to current interest bonds on December 1, 2026. Prior to conversion to current interest bonds, the 2020A-2 Senior Bonds do not pay current interest and accrete in value at an annual yield equal to 5.750%. The accreted amount compounds semiannually on each interest payment date (June 1 and December 1), beginning June 1, 2020, to and including December 1, 2026. Such accreted amount, together with the original principal amount of the 2020A-2 Senior Bonds, bears interest at the interest rate borne by the 2020A-2 Senior Bonds upon conversion to current interest bonds.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

2020A-2 Senior Bonds Details (continued)

The accreted principal balance at conversion on December 1, 2026, will be \$44,140,000. Upon conversion to current interest bonds, the 2020A-2 Senior Bonds will bear interest at a rate of 5.750%, payable semiannually on June 1 and December 1, commencing on June 1, 2027. Annual principal payments are due on December 1 of each year beginning December 1, 2029. The 2020A-2 Senior Bonds mature on December 1, 2049.

On and after conversion to current interest bonds, to the extent principal of any 2020A-2 Senior Bonds is not paid when due, such principal shall remain outstanding until the Senior Bonds Termination Date, and shall continue to bear interest at the rate then borne by the 2020A-2 Senior Bonds. To the extent

interest on any 2020A-2 Senior Bonds is not paid when due, such unpaid interest shall compound semiannually on each interest payment date (June 1 and December 1) at the rate borne by the 2020A-2 Senior Bonds. If any amount of principal or interest due on the 2020A-2 Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged.

Senior Bonds Optional Redemption

The Senior Bonds are subject to redemption prior to maturity, at the option of the District (or with respect to the redemption of the 2020A-2 Senior Bonds, prior to the 2020A-2 Current Interest Conversion Date), on March 1, 2025, 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 (or, with respect to the redemption of the 2020A-2 Bonds, prior to the 2020A-2 Current Interest Conversion Date, upon payment of the accreted value and a redemption premium equal to a percentage of the accreted value so redeemed), as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00
March 1, 2027, to February 29, 2028	1.00
March 1, 2028, and thereafter	0.00

The Taxing Districts

The District was organized simultaneously with Hess Ranch Metropolitan District No. 4 (“District No. 4”), Hess Ranch Metropolitan District No. 5 (“District No. 5”), Hess Ranch Metropolitan District No. 7 (“District No. 7”), and Hess Ranch Metropolitan District No. 8 (“District No. 8”). District No. 6 is the Issuing District. District No. 4, District No. 5, District No. 7, and District No. 8, together with District No. 6, are referred to herein as the Taxing Districts. District No. 4, District No. 5, District No. 6, and District No. 7 are residential districts and District No. 8 is a commercial district.

District No. 4, District No. 5, District No. 7, and District No. 8 are required to transfer proceeds from their debt service mill levies to District No. 6, or to the Trustee in accordance with the Pledge Agreements, to be applied to debt service.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Town Intergovernmental Agreements

Each of the Taxing Districts has entered into a separate intergovernmental agreement with the Town of Parker (collectively, the "Town IGAs"). The Town IGAs provide that the Taxing Districts impose the Infrastructure Capital Mill Levy (5.000 mills, subject to adjustment) and use the proceeds for Regional Infrastructure. The Town IGAs require that the proceeds of the Infrastructure Capital Mill Levy be paid by the Taxing Districts to the Town; however, the Taxing Districts are permitted to retain revenues from the Infrastructure Capital Mill Levy to the extent needed to pay debt service on obligations repayable in whole or in part from such mill levy (which includes the Bonds).

Senior Bonds Pledged Revenue

The Senior Bonds are secured by Senior Pledged Revenue which means: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; (c) all Senior PILOT (payment in lieu of taxes) Revenues; (d) all Capital Fees, if any; and (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

"Senior Property Tax Revenues" means all moneys derived from imposition by the Taxing Districts of the Senior Required Mill Levy and the Infrastructure Capital Mill Levy. Senior 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 and do not include specific ownership tax revenues.

"Senior Specific Ownership Tax Revenues" means the specific ownership taxes remitted to the Taxing Districts as a result of their imposition of the Senior Required Mill Levy and the Infrastructure Capital Mill Levy.

"Senior PILOT Revenues" means all revenues derived from any PILOT relating to the Senior Required Mill Levy and the Infrastructure Capital Mill Levy imposed by any Taxing District.

"Capital Fees" means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by a Taxing District for services, programs, or facilities furnished by a Taxing District. Capital Fees do not include Excluded Fees or any fee imposed solely for the purpose of funding operation and maintenance expenses. Currently none of the Taxing Districts impose a Capital Fee and none expect to do so.

Senior Required Mill Levy

Pursuant to the Senior Capital Pledge Agreement between the Taxing Districts and the Trustee, the Taxing Districts are required to impose an ad valorem mill levy upon all taxable property of each Taxing District each year in an amount determined by the District which maintains the Relative Required Mill Levy Ratio (defined below) that, when combined with moneys then on deposit in the Senior Bond Fund (and, for the last Mill Levy Certification Date, the Senior Surplus Fund), would generate Senior Property Tax Revenues and Senior PILOT Revenues relating to the Senior Required Mill Levy sufficient, together with the Senior Property Tax Revenues and Senior PILOT Revenues (if any) resulting from or relating to the Infrastructure Capital Mill Levy imposed by all Taxing Districts, to pay debt service on the Senior Bonds and, if necessary, an amount sufficient to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, but (i) not in excess of the applicable Maximum Required Mill Levy, and (ii) until the Maximum Surplus Amount has been accumulated in the Senior Surplus Fund, not less than

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Senior Required Mill Levy (Continued)

the Maximum Required Mill levy for each Taxing District, or such lesser mill levy which will pay debt service on the Senior Bonds when due and fund the Senior Surplus Fund to the Maximum Surplus Amount. The foregoing minimum and maximum mill levies are subject to adjustment to reflect changes in the method of calculating assessed valuation on or after January 1, 2019.

Maximum Required Mill

Maximum Required Mill Levy is defined in the Senior Capital Pledge Agreement as (i) with respect to the District, District No. 4, District No. 5, and District No. 7, 57.000 mills (as adjusted); and (ii) with respect to District No. 8, 30.000 mills. If the method of calculating assessed valuation changes after January 1, 2019, the 57.000 (as adjusted) and 30.000 mill levy maximums will be increased or decreased with respect to each Taxing District separately to reflect such changes, such increases or decreases to be determined by the District in good faith in consultation with the applicable Taxing District (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. Such adjustment may result in different mill levies being imposed by the District, District No. 4, District No. 5, and District No. 7. In accordance with the Service Plans, the maximum mill levies of 57.000 mills (as adjusted) and 30.000 mills shall be reduced by the number of mills necessary to pay unlimited mill levy debt.

Relative Required Mill Levy Ratio

Relative Required Mill Levy Ratio means the relationship of the Senior Required Mill Levies imposed by the Taxing Districts with each other represented by the imposition of 57.000 mills (as adjusted) by the residential districts and 30.000 mills by the commercial district; that is, the ratio of 57.000 : 30.000. As a result of the reduction in the residential assessment ratio for the 2019 mill levy year, the Relative Required Mill Levy Ratio, as adjusted, is anticipated to be 57.398 mills for each of the residential districts and 30.000 mills for the commercial district.

Mill Levy Commencement Year

The Mill Levy Commencement Year for debt service mill levies is: (a) for each Residential Taxing District, *the earlier of* (i) the first calendar year in which, prior to the Mill Levy Certification Date in such year: (A) any portion of the property in such Residential Taxing District (as applicable) is classified by the County Assessor as residential, commercial or vacant land, as reflected in the publicly available records of the County Assessor indicating the Final Assessed Valuation of the applicable Taxing District, and (B) a final subdivision plat has been recorded with respect to all or a portion of property in the applicable Taxing District, or (ii) the calendar year ending December 31, 2025; and (b) for District No. 8, the calendar year ending December 31, 2020.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Additional Security for Senior Bonds

The Senior Bonds are further secured by capitalized interest which was funded from proceeds of the 2020A-1 Senior Bonds in the amount of \$4,800,000 and by amounts in the Senior Surplus Fund (if any). Except for an initial deposit of \$5,868,000 from proceeds of the Senior Bonds, the Senior Surplus Fund will be funded from deposits of annual Taxing District Pledged Revenue in excess of that needed to pay annual debt service (if any) up to the Maximum Surplus Amount of \$12,432,526.

Amounts on deposit in the Senior Surplus Fund (if any) on the final maturity date of the Senior Bonds shall be applied to the payment of the Senior Bonds. The availability of such amount is to be taken into account in calculating the Senior Required Mill Levy to be imposed in the levy year prior to the year of the final maturity of the Senior Bonds.

Subordinate Bonds Details

The Subordinate Bonds bear interest at the rate of 8.000% per annum and are payable annually on December 15, beginning December 15, 2020 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15.

If any amount of principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available on the Subordinate Bonds Termination Date of December 15, 2059, such unpaid amount will be deemed discharged.

Subordinate Bonds Optional Redemption

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2025, 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:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00
March 1, 2027, to February 29, 2028	1.00
March 1, 2028, and thereafter	0.00

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Subordinate Bonds Pledged Revenue

The Subordinate Bonds are secured by Subordinate Pledged Revenue which means: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; (c) all Subordinate PILOT Revenues; (d) all Subordinate Capital Fee Revenue, if any; (e) all Subordinate Infrastructure Capital Mill Levy Revenues, if any; and (f) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

“Subordinate Property Tax Revenues” means all moneys derived from imposition by the Taxing Districts of the Subordinate Required Mill Levy. Subordinate 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 and do not include specific ownership tax revenues.

“Subordinate Specific Ownership Tax Revenues” means the specific ownership taxes remitted to the Taxing Districts as a result of their imposition of the Subordinate Required Mill Levy.

“Subordinate PILOT Revenues” means all revenues derived from any PILOT relating to the Subordinate Required Mill Levy imposed by any Taxing District.

“Subordinate Capital Fee Revenues” means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior Obligations.

“Subordinate Infrastructure Capital Mill Levy Revenues” means the following revenues to the extent remaining after deduction of any amount applied to the payment of any Senior Obligations: (i) all moneys derived from imposition by the Taxing Districts of the Infrastructure Capital Mill Levy (inclusive of specific ownership taxes, but net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County); and (ii) all revenues derived from any PILOT relating to the Infrastructure Capital Mill Levy imposed by any Taxing District.

Subordinate Required Mill Levy

Pursuant to the Subordinate Capital Pledge Agreement, each Taxing District is required to impose an ad valorem mill levy upon all taxable property of the respective Taxing District each year in an amount equal to: (i) the applicable Maximum Required Mill Levy less the then applicable Senior Obligation Mill Levy, or (ii) such lesser amounts determined by the District which maintains the Relative Required Mill Levy Ratio and that will generate Subordinate Property Tax Revenues and Subordinate PILOT Revenues (if any) relating to the Subordinate Required Mill Levy which, together with the Subordinate Infrastructure Capital Mill Levy Revenues (if any) would be sufficient to pay the Subordinate Bonds.

Senior Obligation Mill levy means the ad valorem property tax levy required to be imposed by the Taxing Districts for the payment of Senior Obligations (excluding the Infrastructure Capital Mill Levy).

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Details of the Junior Bonds

The Junior Bonds bear interest at the rate of 8.25% per annum and are payable annually on December 15, beginning on December 15, 2022, from, and to the extent of, available Junior Pledged Revenue available, if any, pursuant to a mandatory redemption. The Junior Bonds mature on December 15, 2052.

The Junior Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Junior Bonds compounds annually on each December 15. If any amount of principal or interest on the Junior Bonds remains unpaid after the application of all Junior Pledged Revenue available on the Junior Bonds Termination Date of December 15, 2062, such unpaid amount will be deemed discharged.

Payments on the Junior Bonds are to be made annually from any Junior Pledged Revenue after all payments required to be paid on the Senior Bonds, any Parity Bonds under the 2020A Senior Indenture, the Subordinate Bonds, and any Parity Bonds under the 2020B Subordinate Indenture, in such calendar year have been made.

Optional Redemption

The Junior Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2025, 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:

<u>ate of Redemption</u>	<u>Redemption Premium</u>
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00
March 1, 2027, to February 29, 2028	1.00
March 1, 2028, and thereafter	0.00

Junior Pledged Revenue

The Junior Bonds are secured by and payable from moneys derived by the District from the following sources: (a) all Junior Property Tax Revenues; (b) all Junior Specific Ownership Tax Revenues; (c) all Junior PILOT (payment in lieu of taxes) Revenues; (d) all Junior Capital Fee Revenues, if any; (e) all Junior Infrastructure Capital Mill Levy Revenues, if any; and (f) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Bond Fund.

Junior Property Tax Revenues means all moneys derived from imposition by the Taxing Districts of the Junior Required Mill Levy. Junior 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 and do not include specific ownership tax revenues.

Junior Specific Ownership Tax Revenues means the specific ownership taxes remitted to the Taxing Districts as a result of their imposition of the Junior Required Mill Levy.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Junior Pledged Revenue (continued)

Junior PILOT Revenues means all revenues derived from any PILOT relating to the Junior Required Mill Levy imposed by any Taxing District.

Junior Capital Fee Revenues means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior Obligations and Subordinate Obligations.

Junior Infrastructure Capital Mill Levy Revenues means the following revenues to the extent remaining after deduction of any amount applied to the payment of any Senior Obligations and Subordinate Obligations: (i) all moneys derived from imposition by the Taxing Districts of the Infrastructure Capital Mill Levy (inclusive of specific ownership taxes, but net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County); and (ii) all revenues derived from any PILOT relating to the Infrastructure Capital Mill Levy imposed by any Taxing District.

Junior Required Mill Levy

Pursuant to the Junior Capital Pledge Agreement, each Taxing District has covenanted to impose an ad valorem mill levy upon all taxable property of the respective Taxing District each year in an amount equal to: (i) the applicable Maximum Required Mill Levy less the then applicable Senior Obligation Mill Levy and Subordinate Obligation Mill Levy, or (ii) such lesser amounts determined by the District which maintains the Relative Required Mill Levy Ratio and that will generate Junior Property Tax Revenues and Junior PILOT Revenues (if any) relating to the Junior Required Mill Levy which, together with the Junior Infrastructure Capital Mill Levy Revenues (if any) would be sufficient to pay the Junior Bonds and any other Additional Junior Obligations in full in the year of collection.

Maximum Required Mill Levy means: (i) with respect to the Residential Taxing Districts (District Nos. 4, 5, 6, and 7), 57 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2019); and (ii) with respect to District No. 8, 30 mills. Relative Required Mill Levy Ratio means the relationship of the Senior Required Mill Levies imposed by the Taxing Districts vis a vis each other represented by the imposition of 57 mills (as adjusted) for each of the Residential Taxing Districts and 30 mills for District No. 8.

Senior Obligation Mill Levy means the ad valorem property tax levy required to be imposed by the Taxing Districts for the payment of Senior Obligations (excluding the Infrastructure Capital Mill Levy). Subordinate Obligation Mill levy means the ad valorem property tax levy required to be imposed by the Taxing Districts for the payment of Subordinate Obligations (excluding the Infrastructure Capital Mill Levy).

Restricted Junior Bond Proceeds

Net proceeds from the sale of the Junior Bonds in the amount of \$13,754,667 were deposited to the Unrestricted Account of the Junior Project Fund and the remaining net proceeds of \$1,365,590 were deposited to the Restricted Account of the Junior Project Fund. The Restricted Account is required to be used to pay costs associated with Regional Infrastructure. The funds in the Restricted Account will be transferred to the Unrestricted Account upon the District's submission to the Trustee of a requisition certifying that the amounts drawn will be used to pay Project Costs associated with Regional Infrastructure.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Junior Bonds Debt Service

The annual debt service requirements of the Junior Bonds are not currently determinable since they are payable only from available Junior Pledged Revenue.

	Balance at December 31, 2021*	Additions*	Payments*	Balance at December 31, 2022*
Developer advance payable	\$ 302,340	\$ 40,000	\$ -	\$ 342,340
Accrued interest on advances	20,835	23,535	-	44,370
	<u>\$ 323,175</u>	<u>\$ 63,535</u>	<u>\$ -</u>	<u>\$ 386,710</u>
	Balance at December 31, 2022*	Additions*	Payments*	Balance at December 31, 2023*
Developer advance payable	\$ 342,340	\$ 36,417	\$ -	\$ 378,757
Accrued interest on advances	44,370	26,549	-	70,919
	<u>\$ 386,710</u>	<u>\$ 62,966</u>	<u>\$ -</u>	<u>\$ 449,676</u>

*Estimated amounts

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2023, as defined under TABOR.

Debt Service Reserve

The District is required to maintain a Surplus Fund comprised of funds that exceed the current year Debt Service requirements as outlined in the terms of the Bonds. The Surplus Fund is not to exceed \$12,432,526 and shall be drawn in the event Pledged Revenues are insufficient to cover current Debt Service requirements.

This information is an integral part of the accompanying budget.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$32,000,000
Limited Tax General Obligation
Series 2020A-1
Dated March 13, 2020
Interest Rate at 5.0%
Due June 1 and December 1
Principal Due December 1**

**\$30,162,628 (\$44,140,000 Value at Conversion)
Limited Tax General Obligation and Convertible
Capital Appreciation Bonds
Series 2020A-2
Dated March 13, 2020 (Conversion Date: December 1, 2026)
Interest Rate at 5.75%
Due June 1 and December 1
Principal Due December 1**

	\$32,000,000			\$30,162,628 (\$44,140,000 Value at Conversion)			Grand Totals		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ -	\$ 1,600,000	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ 1,600,000	\$ 1,600,000
2024	-	1,600,000	1,600,000	-	-	-	-	1,600,000	1,600,000
2025	-	1,600,000	1,600,000	-	-	-	-	1,600,000	1,600,000
2026	-	1,600,000	1,600,000	-	-	-	-	1,600,000	1,600,000
2027	-	1,600,000	1,600,000	-	2,538,050	2,538,050	-	4,138,050	4,138,050
2028	-	1,600,000	1,600,000	-	2,538,050	2,538,050	-	4,138,050	4,138,050
2029	240,000	1,600,000	1,840,000	180,000	2,538,050	2,718,050	420,000	4,138,050	4,558,050
2030	500,000	1,588,000	2,088,000	555,000	2,527,700	3,082,700	1,055,000	4,115,700	5,170,700
2031	700,000	1,563,000	2,263,000	845,000	2,495,788	3,340,788	1,545,000	4,058,788	5,603,788
2032	880,000	1,528,000	2,408,000	1,105,000	2,447,200	3,552,200	1,985,000	3,975,200	5,960,200
2033	960,000	1,484,000	2,444,000	1,235,000	2,383,663	3,618,663	2,195,000	3,867,663	6,062,663
2034	1,060,000	1,436,000	2,496,000	1,375,000	2,312,650	3,687,650	2,435,000	3,748,650	6,183,650
2035	1,110,000	1,383,000	2,493,000	1,455,000	2,233,588	3,688,588	2,565,000	3,616,588	6,181,588
2036	1,215,000	1,327,500	2,542,500	1,615,000	2,149,925	3,764,925	2,830,000	3,477,425	6,307,425
2037	1,280,000	1,266,750	2,546,750	1,705,000	2,057,063	3,762,063	2,985,000	3,323,813	6,308,813
2038	1,395,000	1,202,750	2,597,750	1,875,000	1,959,025	3,834,025	3,270,000	3,161,775	6,431,775
2039	1,465,000	1,133,000	2,598,000	1,985,000	1,851,213	3,836,213	3,450,000	2,984,213	6,434,213
2040	1,590,000	1,059,750	2,649,750	2,175,000	1,737,075	3,912,075	3,765,000	2,796,825	6,561,825
2041	1,665,000	980,250	2,645,250	2,305,000	1,612,013	3,917,013	3,970,000	2,592,263	6,562,263
2042	1,805,000	897,000	2,702,000	2,510,000	1,479,475	3,989,475	4,315,000	2,376,475	6,691,475
2043	1,895,000	806,750	2,701,750	2,655,000	1,335,150	3,990,150	4,550,000	2,141,900	6,691,900
2044	2,040,000	712,000	2,752,000	2,895,000	1,182,488	4,077,488	4,935,000	1,894,488	6,829,488
2045	2,145,000	610,000	2,755,000	3,055,000	1,016,024	4,071,024	5,200,000	1,626,024	6,826,024
2046	2,305,000	502,750	2,807,750	3,315,000	840,362	4,155,362	5,620,000	1,343,112	6,963,112
2047	2,420,000	387,500	2,807,500	3,505,000	649,749	4,154,749	5,925,000	1,037,249	6,962,249
2048	2,600,000	266,500	2,866,500	3,790,000	448,212	4,238,212	6,390,000	714,712	7,104,712
2049	2,730,000	136,500	2,866,500	4,005,000	230,287	4,235,287	6,735,000	366,787	7,101,787
	<u>\$ 32,000,000</u>	<u>\$ 31,471,000</u>	<u>\$ 63,471,000</u>	<u>\$ 44,140,000</u>	<u>\$ 40,562,800</u>	<u>\$ 84,702,800</u>	<u>\$ 76,140,000</u>	<u>\$ 72,033,800</u>	<u>\$ 148,173,800</u>

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
 On behalf of the Hess Ranch Metro District 6
 the Board of Directors
 of the Hess Ranch Metropolitan District No. 6**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$670** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity 's total property tax revenue will be derived from the mill levy multiplied against the **NET** assessed valuation of: **\$670**

Submitted: *Rob Lange* for budget/fiscal year 2023

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	10.985 mills	\$7
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	10.985 mills	\$7
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	0.000 mills	\$0
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	10.985 mills	\$7

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.). Use additional pages as necessary.

The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

No Contracts Available

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 14 Dec 2022

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2023

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for HESS RANCH METROPOLITAN DISTRICT NO. 7 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 19, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen
Attn: Alex Fink
8390 East Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Tel.: 303-779-5710

I, Donald Guerra, as President of the Hess Ranch Metropolitan District No. 7, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: Don Guerra

**RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
HESS RANCH METROPOLITAN DISTRICT NO. 7**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAID THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HESS RANCH METROPOLITAN DISTRICT NO. 7, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 7 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 19, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$0; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$0; and

WHEREAS, at an election held on November 3, 2015 the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HESS RANCH METROPOLITAN DISTRICT NO. 7 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Hess Ranch Metropolitan District No. 7 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 19th day of October 2022.

HESS RANCH METROPOLITAN
DISTRICT NO. 7

Don Guerra

President

ATTEST:

Robert L. Eck II

Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

HESS RANCH METROPOLITAN DISTRICT NO. 7

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**HESS RANCH METROPOLITAN DISTRICT NO. 7
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
General and administrative			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 7
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/23

ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
----------------	-------------------	----------------

ASSESSED VALUATION

Certified Assessed Value

\$	-	\$	-	\$	-
----	---	----	---	----	---

MILL LEVY

General

10.069	10.000	10.000
--------	--------	--------

Total mill levy

10.069	10.000	10.000
--------	--------	--------

PROPERTY TAXES

Budgeted property taxes

\$	-	\$	-	\$	-
----	---	----	---	----	---

BUDGETED PROPERTY TAXES

\$	-	\$	-	\$	-
----	---	----	---	----	---

**HESS RANCH METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 4, Hess Ranch No. 5, Hess Ranch No. 6, and Hess Ranch No. 8. Hess Ranch No. 6 serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board 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 for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

For the portion of any aggregate District Debt which is equal to or less than 50% of the District' s assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

**HESS RANCH METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided - (continued)

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.

Revenues

The District has no revenue.

Expenditures

The District has no expenditures.

Debt and Leases

The District has no debt and operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish emergency reserve. This reserve must be at least 3% of fiscal year spending. Since District has no expenditures during 2023, an emergency reserve is not reflected in the District's budget.

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
 On behalf of the Hess Ranch Metro District 7
 the Board of Directors
 of the Hess Ranch Metropolitan District No. 7**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$0** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity 's total property tax revenue will be derived from the mill levy multiplied against the **NET** assessed valuation of: **\$0**

Submitted: *Rob Lange* for budget/fiscal year 2023

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	10.000 mills	\$0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$0
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	0.000 mills	\$0
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	10.000 mills	\$0

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.). Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

No Contracts Available

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 14 Dec 2022

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2023

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for HESS RANCH METROPOLITAN DISTRICT NO. 8 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 19, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen
Attn: Alex Fink
8390 East Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Tel.: 303-779-5710

I, Donald Guerra, as President of the Hess Ranch Metropolitan District No. 8, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: Don Guerra

RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
HESS RANCH METROPOLITAN DISTRICT NO. 8

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF Government, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HESS RANCH METROPOLITAN DISTRICT NO. 8, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 8 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 19, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$15; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$62; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$1,520; and

WHEREAS, at an election held on November 3, 2015 the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HESS RANCH METROPOLITAN DISTRICT NO. 8 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Hess Ranch Metropolitan District No. 8 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 40.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 19th day of October 2022.

HESS RANCH METROPOLITAN
DISTRICT NO. 8

Don Guerra

President

ATTEST:

Robert L. Eck II

Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

HESS RANCH METROPOLITAN DISTRICT NO. 8

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**HESS RANCH METROPOLITAN DISTRICT NO. 8
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	15
Property taxes - Capital Pledge	-	-	45
Property taxes - Regional infrastructure	-	-	8
Property taxes - Town infrastructure	-	-	8
Specific ownership tax	-	-	1
Specific ownership tax - Capital Pledge	-	-	4
Specific ownership tax - Regional infrastructure	-	-	1
Specific ownership tax - Town infrastructure	-	-	1
Other revenue	-	-	47
Total revenues	<u>-</u>	<u>-</u>	<u>130</u>
Total funds available	<u>-</u>	<u>-</u>	<u>130</u>
EXPENDITURES			
General Fund	-	-	30
Debt Service Fund	-	-	100
Total expenditures	<u>-</u>	<u>-</u>	<u>130</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>130</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

HESS RANCH METROPOLITAN DISTRICT NO. 8
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/5/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Agricultural	-	-	1,520
Certified Assessed Value	\$ -	\$ -	\$ 1,520

MILL LEVY

General	10.000	10.000	10.000
Debt Service	0.000	40.000	40.000
Total mill levy	10.000	50.000	50.000

PROPERTY TAXES

General	\$ -	\$ -	\$ 15
Debt Service	-	-	61
Budgeted property taxes	\$ -	\$ -	\$ 76

BUDGETED PROPERTY TAXES

General	\$ -	\$ -	\$ 15
Debt Service	-	-	61
	\$ -	\$ -	\$ 76

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 8
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	15
Specific ownership tax	-	-	1
Other revenue	-	-	14
Total revenues	<u>-</u>	<u>-</u>	<u>30</u>
Total funds available	<u>-</u>	<u>-</u>	<u>30</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	-	-	1
Contingency	-	-	14
Transfers to District No. 6	-	-	15
Total expenditures	<u>-</u>	<u>-</u>	<u>30</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>30</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 8
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes - Capital Pledge	-	-	45
Property taxes - Regional infrastructure	-	-	8
Property taxes - Town infrastructure	-	-	8
Specific ownership tax - Capital Pledge	-	-	4
Specific ownership tax - Regional infrastructure	-	-	1
Specific ownership tax - Town infrastructure	-	-	1
Other Revenue	-	-	33
Total revenues	-	-	100
Total funds available	-	-	100
EXPENDITURES			
General and administrative			
County Treasurer's fee - Capital Pledge	-	-	1
County Treasurer's fee - Regional infrastructure	-	-	1
County Treasurer's fee - Town infrastructure	-	-	1
Contingency	-	-	33
Transfers to District No. 6	-	-	64
Total expenditures	-	-	100
Total expenditures and transfers out requiring appropriation	-	-	100
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 8
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 4, Hess Ranch No. 5, Hess Ranch No. 6, and Hess Ranch No. 7. The District serves as the commercial district for Hess Ranch Metropolitan Districts 4-7. Hess Ranch No. 6 serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board 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 for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

**HESS RANCH METROPOLITAN DISTRICT NO. 8
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided - (continued)

For the portion of any aggregate District Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

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.

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.

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

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**HESS RANCH METROPOLITAN DISTRICT NO. 8
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

County Treasurer's Fees

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

Transfers to Hess Ranch Metropolitan District No. 6

Pursuant to the Master Intergovernmental Agreement, Hess Ranch Metropolitan District No. 6 will provide certain operation, maintenance and administrative services benefitting the District, Hess Ranch Metropolitan District No. 4, Hess Ranch Metropolitan District No. 5, Hess Ranch Metropolitan District No. 6, and Hess Ranch Metropolitan District No. 7 (collectively, "districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to Hess Ranch Metropolitan District No. 6.

Debt and Leases

The District has no debt and operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to Hess Ranch Metropolitan District No. 6, which pays for all Districts' operations and maintenance costs, and which provides for the required reserve amount, an Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
 On behalf of the Hess Ranch Metro District 8
 the Board of Directors
 of the Hess Ranch Metropolitan District No. 8**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$1,520** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity 's total property tax revenue will be derived from the mill levy multiplied against the **NET** assessed valuation of: **\$1,520**

Submitted: *Rob Lange* for budget/fiscal year 2023

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	10.000 mills	\$15
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$15
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	40.000 mills	\$62
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	50.000 mills	\$77

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.). Use additional pages as necessary.

The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

- Purpose of Contract: Sr and Sub Capital Pledge Agreement
 Title: Intergovernmental Agreement w/ Hess Ranch #6

Date of Issue:	2020-03-13
Principal Amount:	\$0
Maturity Date:	2049-12-01
Levy:	30.000
Revenue:	\$46
2. Purpose of Contract:	Regional infrastructure
Title:	Infrastructure Capital Mill Levy
Date of Issue:	2019-08-05
Principal Amount:	\$0
Maturity Date:	
Levy:	5.000
Revenue:	\$8
3. Purpose of Contract:	Town Infrastructure
Title:	Town Capital and Maintenance Mill Levy
Date of Issue:	2019-08-05
Principal Amount:	\$0
Maturity Date:	
Levy:	5.000
Revenue:	\$8

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 14 Dec 2022

EXHIBIT C

Hess Ranch Metropolitan District Nos. 4, 5, 6, 7, 8

Pursuant to section 32-1-809, Colorado Revised Statutes for Transparency Notices may be filed with Special District Association of Colorado. This information must be provided annually to the eligible electors of the district no later than January 15 of each year.

***Note that some information provided herein may be subject to change after the notice is posted.**

District's Principal Business Office

Company Spencer Fane LLP
Contact Thomas N. George, Esq.
Address 1700 Lincoln Street, Suite 2000, Denver, Colorado 80203
Phone 303-839-3800

District's Physical Location

Counties Douglas

Regular Board Meeting Information

Location District Office or Spencer Fane LLP
Address 4100 East Mississippi Avenue, Suite 500, Denver, Colorado 80246
Day(s) Monthly, 3rd Wednesday
Time 12:00 p.m.

Posting Place for Meeting Notice

Location <https://hessranchmd4-8.colorado.gov/>
Address

Notice of Proposed Action to Fix or Increase Fees, Rates, Tolls, Penalties or Charges for Domestic Water or Sanitary Sewer Services

Location
Address
Date
Notice

Current District Mill Levy

Mills District 4: 77.000 mills; District 5: 10.984 mills; District 6: 10.985 mills; District 7: 10.000 mills; District 8: 50.000 mills

Ad Valorem Tax Revenue

Revenue reported may be incomplete or unaudited as of the date this Notice was posted.

Amount(\$) District 4: \$789,259; District 5: \$80.00; District 6: \$7.00; District 7: \$0.00; District 8: \$0.00 (2022 unaudited)

Date of Next Regular Election

Date 05/02/2023

Pursuant to 24-72-205 C.R.S

The district's research and retrieval fee is **\$33.58 for** per hour

District Policy

The Board has adopted a policy regarding the research and retrieval of the District's public records. To view the policy, contact the person named below.

District contact information for open records request:

Thomas N. George, Esq.

Names of District Board Members

Board President

Name Donald Guerra

Contact Info tgeorge@spencerfane.com

Election **No**, this office will not be on the next regular election ballot

Board Member 2

Name Robert L. Eck, II

Contact Info tgeorge@spencerfane.com

Election **Yes**, this office will be on the next regular election ballot

Board Member 3

Name Bradley Lenz

Contact Info tgeorge@spencerfane.com

Election **No**, this office will not be on the next regular election ballot

Board Member 4

Name Vacant

Contact Info

Election **Yes**, this office will be on the next regular election ballot

Board Member 5

Name Vacant

Contact Info

Election **Yes**, this office will be on the next regular election ballot

Board Member 6**Name** N/A**Contact Info****Election** **No**, this office will not be on the next regular election ballot**Board Member 7****Name** N/A**Contact Info****Election** **No**, this office will not be on the next regular election ballot

Board Candidate Self-Nomination Forms

Any eligible elector of the special district who desires to be a candidate for the office of special district director must file a self-nomination and acceptance form or letter with the designated election official.

Deadline for Self-Nomination Forms

Self-nomination and acceptance forms or letters must be filed not less than 67 days before the date of the regular election.

District Election Results

The district's election results will be posted on the website of the Colorado Secretary of State (www.sos.state.co.us) and the website indicated below, if any.

Website <https://dola.colorado.gov/lgis/> and <https://hessranchmd4-8.colorado.gov/>

Permanent Mail-In Voter Status

Absentee voting and Permanent absentee voter status (formerly Permanent Mail-In voter status): Where to obtain and return forms.

Designated Election Official (see below)

Applications for absentee voting or for permanent absentee voter status are available from and must be returned to the Designated Election Official.

Spencer Fane LLP, c/o Becky Johnson, 1700 Lincoln Street, Suite 200, Denver, Colorado 80203, (303) 839-3885

Notice Completed By

Name Becky Johnson
Company/District Spencer Fane LLP
Title Paralegal
Email bjohnson@spencerfane.com
Dated 01/12/2023

EXHIBIT D

JUNIOR CAPITAL PLEDGE AGREEMENT

This **JUNIOR CAPITAL PLEDGE AGREEMENT** (the “**Agreement**”), is made and entered into and dated as of April 1, 2022, by and among **HESS RANCH METROPOLITAN DISTRICT NO. 6** (the “**Issuing District**”), **HESS RANCH METROPOLITAN DISTRICT NO. 4** (“**District No. 4**”), **HESS RANCH METROPOLITAN DISTRICT NO. 5** (“**District No. 5**”), **HESS RANCH METROPOLITAN DISTRICT NO. 7** (“**District No. 7**”), and **HESS RANCH METROPOLITAN DISTRICT NO. 8** (“**District No. 8**” and, together with the Issuing District, District No. 4, District No. 5 and District No. 7, the “**Taxing Districts**”), and **UMB BANK, N.A.**, in its capacity as trustee under that certain Indenture of Trust (Junior) dated as of April 1, 2022, entered into with the Issuing District (the “**Trustee**”). The Taxing Districts are quasi-municipal corporations and political subdivisions of the State of Colorado (the “**State**”).

RECITALS

WHEREAS, the Taxing Districts are authorized by Title 32, Article 1, Part 1, C.R.S., to provide certain public improvements and services to and for the benefit of the properties within and without the boundaries of the Taxing Districts, in accordance with their respective Amended and Restated Service Plans each approved by the Town Council for the Town of Parker, Colorado on August 5, 2019 (collectively, and as each may be further amended or restated from time to time, the “**Service Plans**”); and

WHEREAS, under the Service Plans, the Taxing Districts are intended to work together and coordinate their activities with respect to the financing, construction, operation and maintenance of public improvements necessary to serve development within the Taxing Districts, which is generally anticipated to consist of residential development in the Issuing District, District No. 4, District No. 5 and District No. 7, and commercial development in District No. 8; and

WHEREAS, in addition to the approval of the Town, the Taxing Districts were organized with the approval of the Taxing Districts’ respective electors, such approvals fully contemplating cooperation between the Taxing Districts as provided herein and in the Service Plans; and

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

WHEREAS, the Service Plans have been prepared for the Taxing Districts pursuant to Sections 32-1-201, C.R.S. *et seq.*, and all required governmental approvals have been obtained therefor; and

WHEREAS, the purposes for which the Taxing Districts were formed include the provision of, among other things, streets, water, limited sanitation, parks and recreation, traffic and safety control, transportation, limited mosquito control, limited security, limited fire

protection, and limited television relay and translation improvements, all in accordance with the Service Plans; and

WHEREAS, as contemplated by the Service Plans, the Taxing Districts entered into a Master Intergovernmental Agreement dated October 29, 2019 (the “**Master IGA**”), for the purpose of establishing their respective roles, responsibilities and obligations with respect to the administrative services, provision, ownership, operation and maintenance of the Facilities (to the extent not dedicated to another governmental entity) and funding of the same; and

WHEREAS, for the purpose of funding certain costs of the Facilities, the Issuing District has previously entered into a Facilities Funding and Acquisition Agreement dated October 29, 2019 (as the same may be amended from time to time, the “**Acquisition Agreement**”) with JEN Colorado 18 LLC, a Colorado limited liability company (the “**Developer**”), pursuant to which the Issuing District agreed to acquire from the Developer any Facilities constructed for the benefit of the Taxing Districts and to reimburse the Developer for the costs of Facilities constructed by or on behalf of the Developer (if any) in accordance with the provisions thereof, but solely from the sources of revenue identified therein, and subject to the limitations more particularly provided therein; and

WHEREAS, in furtherance of the Service Plans, the Taxing Districts have subsequently determined that it would be in the best interests of the Taxing Districts, the residents and the taxpayers thereof, for the Issuing District to issue indebtedness for the purpose of providing Public Improvements (including paying amounts due or to become due under the Acquisition Agreement), and for such indebtedness to be payable from property taxes of the Issuing District and the other Taxing Districts; and

WHEREAS, for the purpose of facilitating such issuance, the Taxing Districts have previously entered into a Senior Pledge Agreement (defined below), a Subordinate Pledge Agreement (defined below) and have determined to enter into this Agreement, all as more particularly defined and described herein; and

WHEREAS, for the purpose of financing a portion of the costs of Financed Public Improvements (defined herein), the Issuing District has previously issued its Limited Tax General Obligation Bonds, 2020A-1, in the aggregate principal amount of \$32,000,000 and its Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2020A-2, in the original aggregate principal amount of \$30,162,627.60 (collectively, the “**2020A Senior Bonds**”) pursuant to an Indenture of Trust (Senior) dated as of March 1, 2020 (the “**2020A Senior Indenture**”) between the Issuing District and UMB Bank, n.a., as trustee, which 2020A Senior Bonds are to be secured by the Senior Pledged Revenue, as more particularly described in the 2020A Senior Indenture; and

WHEREAS, in order to provide for the payment of the 2020A Senior Bonds and certain other obligations that may be issued by the Issuing District in the future, the Taxing Districts have entered into a Senior Capital Pledge Agreement, dated as of March 1, 2020 with UMB Bank, n.a., as trustee (the “**Senior Pledge Agreement**”), pursuant to which each of the Taxing Districts is obligated to impose ad valorem property taxes in an amount equal to the applicable “Senior Required Mill Levy” (as defined therein) and the “Infrastructure Capital Mill Levy” (as

defined therein) and pay the proceeds thereof to the trustee for payment of the obligations specified therein, or as otherwise directed by the Issuing District; and

WHEREAS, for the purpose of paying additional costs of Financed Public Improvements, the Issuing District issued its Subordinate Limited Tax General Obligation Bonds, Series 2020B, in the aggregate principal amount of \$9,367,000 (the “**2020B Subordinate Bonds**”), pursuant to an Indenture of Trust (Subordinate) dated as of March 1, 2020 (the “**2020B Subordinate Indenture**”), by and between the Issuing District and the Trustee, which 2020B Subordinate Bonds are secured by the Subordinate Capital Pledge Agreement dated as of March 1, 2020 by and between the Taxing Districts and the Trustee, as amended and supplemented (the “**Subordinate Pledge Agreement**”), as more particularly described therein and in the 2020B Subordinate Indenture; and

WHEREAS, for the purpose of paying additional costs of Financed Public Improvements, the Issuing District intends to issue its Junior Limited Tax General Obligation Bonds, Series 2022C, in the aggregate principal amount of \$17,319,000 (the “**2022C Junior Bonds**”), pursuant to an Indenture of Trust (Junior) dated as of April 1, 2022 (the “**2022C Junior Indenture**”), by and between the Issuing District and the Trustee, which 2022C Junior Bonds are secured by this Junior Capital Pledge Agreement (the “**Junior Pledge Agreement**”), as more particularly described herein and in the 2022C Junior Indenture; and

WHEREAS, in order to provide for the payment of the 2022C Junior Bonds and certain other obligations that may be issued by the Issuing District in the future (excluding Senior Obligations and Subordinate Obligations, as each term is further defined herein) (as more particularly defined herein, the “**Additional Junior Obligations**”), each of the Taxing Districts has, by the terms of this Agreement, pledged certain revenues (referred to herein as the “**Junior Pledged Revenue**”) to the Issuing District for the payment of the 2022C Junior Bonds and the Additional Junior Obligations, and covenanted to take certain actions with respect to generating such revenues, for the benefit of the holders of the 2022C Junior Bonds and any Additional Junior Obligations (the “**Bondholders**”); and

WHEREAS, the Taxing Districts determined that the Public Improvements anticipated to be funded with the proceeds of the 2022C Junior Bonds (as more particularly defined herein, the “**Financed Public Improvements**”) are generally contemplated by the Service Plan, are needed, and, due to the nature of the Financed Public Improvements and proximity and interrelatedness of the development anticipated to occur within the boundaries of the Taxing Districts, such Financed Public Improvements do or will benefit the Taxing Districts, residents, property owners and taxpayers in the Taxing Districts as a whole; and

WHEREAS, the 2022C Bonds are to be issued in minimum denominations of \$500,000 and integral multiples of \$1,000 in excess thereof, or otherwise will qualify for an exemption from registration under the Colorado Municipal Bond Supervision Act; and

WHEREAS, pursuant to the provisions of Section 32-1-1101(6)(a)(IV), C.R.S., the 2022C Bonds are to be issued only to “financial institutions or institutional investors” as such terms are defined in Section 32-1-103(6.5), C.R.S., unless otherwise permitted pursuant to the provisions of Section 32-1-1101(6), C.R.S.; and

WHEREAS, at a special election of the qualified electors of each of the Taxing Districts duly called and held on Tuesday, November 3, 2015 (each an “**Election**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, the issuance of indebtedness by the applicable Taxing District and the imposition of taxes for the payment thereof, for the purpose of providing certain public improvements and facilities (as more particularly defined herein, the “**Public Improvements**”), and for the refunding of such indebtedness, as follows, the questions relating thereto being as set forth in Exhibit A hereto:

Purpose	Principal Amount
Streets	\$122,260,000
Parks and Recreation	\$122,260,000
Water	\$122,260,000
Sanitation	\$122,260,000
Transportation	\$122,260,000
Mosquito Control	\$122,260,000
Traffic and Safety	\$122,260,000
Fire Protection EMS	\$122,260,000
TV Relay	\$122,260,000
Security	\$122,260,000
IGA	\$122,260,000
Refunding	\$122,260,000

WHEREAS, the returns of each Election were duly canvassed and the results thereof duly declared; and

WHEREAS, the results of each Election were certified by the applicable Taxing District by certified mail to the board of county commissioners of each county in which the Taxing District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to Section 32-1-204.5, C.R.S., and with the division of securities created by Section 11- 51-701, C.R.S. within 45 days after the Election; and

WHEREAS, due to the nature of the obligation incurred by the Issuing District under the 2022C Junior Indenture and hereunder, and by the other Taxing Districts hereunder, it is not possible to predict with certainty the amount of principal and interest on the 2022C Junior Bonds and Additional Junior Obligations (if any) each Taxing District will pay hereunder, and as a result, each of the Taxing Districts will reserve from their respective Election all of the

indebtedness represented by this Agreement (and, in the case of the Issuing District, the 2022C Subordinate Indenture), based upon the principal amounts of 2022C Junior Bonds payable pursuant to the terms hereof and the manner in which the Issuing District allocates the same based upon the Public Improvements financed by such 2022C Junior Bonds, subject to Section 5.07 hereof; and

WHEREAS, each Taxing District will, upon the issuance of Additional Junior Obligations as permitted by this Agreement, allocate additional electoral authority as applicable; and

WHEREAS, the Taxing Districts have determined and hereby determine that the execution of this Agreement, the issuance of the 2022C Junior Bonds and any Additional Junior Obligations, and the provision of the Project are in the best interests of the Taxing Districts and the residents, property owners, and taxpayers thereof; and

WHEREAS, all amendments to this Agreement made pursuant hereto and not in specific conflict with specific limits of the ballot questions, which authorized the debt represented by this Agreement, shall be deemed part of this Agreement and fully authorized by such ballot questions.

COVENANTS

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants and stipulations herein, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Interpretation. In this Agreement, unless the context expressly indicates otherwise, the words defined below shall have the meanings set forth below:

(a) The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms, refer to this Agreement as a whole and not to any particular article, section, or subdivision hereof; the term “heretofore” means before the date of execution of the Agreement, the term “now” means the date of execution of this Agreement, and the term “hereafter” means after the date of execution of this Agreement.

(b) All definitions, terms, and words shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in Section 2.1 hereof.

(c) Words of the masculine gender include correlative words of the feminine and neuter genders, and words importing the singular number include the plural number and vice versa.

(d) The captions or headings of this Agreement are for convenience only, and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Agreement.

(e) All schedules, exhibits, and addenda referred to herein are incorporated herein by this reference.

Section 1.02. Definitions. As used herein, unless the context expressly indicates otherwise, the words defined below and capitalized throughout the text of this Agreement shall have the respective meanings set forth below:

“Acquisition Agreement” has the meaning set forth in the recitals hereto.

“Additional Junior Obligations” means any bonds, notes, certificates or obligations (including a repayment obligation under a loan agreement or similar agreement) issued or incurred by the Issuing District and designated by the Issuing District (in the applicable Additional Junior Obligation Document) as secured by a lien on all or any portion of the Junior Pledged Revenues payable hereunder; provided that such obligations are issued for the purpose of: (i) refinancing the 2022C Junior Bonds, other Additional Junior Obligations, or any other obligations of the Issuing District for which the Taxing Districts are obligated to impose ad valorem property taxes (including in accordance with this Junior Pledge Agreement), or obligations issued to refinance the same; or (ii) issued for the purpose of financing or refinancing the Financed Public Improvements. In addition, an obligation shall not constitute an Additional Junior Obligation hereunder unless (i) it will be issued, either: (A) in denominations of not less than \$500,000 each, or (B) to “accredited investors” as defined in Section 11-59-110(1)(g) C.R.S., unless an exemption from the registration requirements of the Colorado Municipal Bond Supervision Act, or any successor statute, is otherwise available; AND (ii) unless designated a Limited Obligation hereunder, it will initially be issued to financial institutions or institutional investors, or in a manner otherwise satisfying one of the conditions of Section 32-1-1101(6)(a), C.R.S., or will constitute a refunding or restructuring contemplated by Section 32-1-1101(6)(b) C.R.S.; provided, however, that the foregoing clause (ii) shall not apply at such time as the Issuing District executes in writing its written direction to limit the Junior Required Mill Levy hereunder to not in excess of 50 mills (without adjustment), which written direction shall not be effective prior to the date that the 2022C Junior Bonds (and any other Additional Junior Obligation if specified in the applicable Additional Junior Obligation Documents) are paid in full or defeased.

“Additional Junior Obligation Documents” means, collectively, any resolution, indenture, loan agreement or other instrument agreement executed by the Issuing District pursuant to which Additional Junior Obligations are issued or incurred, and any undertaking or agreement with respect to the provision of continuing disclosure relating thereto.

“Agreement” means this Junior Capital Pledge Agreement and any amendment hereto made in accordance herewith.

“Board” or *“Boards”* means the lawfully organized Boards of Directors of the Taxing Districts.

“*Board of County Commissioners*” means the Board of County Commissioners for Douglas County, Colorado.

“*Capital Fees*” means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) now or hereafter imposed by a Taxing District or any Taxing District-owned “enterprise” under Article X, Section 20 of the State Constitution, for services, programs, or facilities furnished by a Taxing District; and including the revenue derived from any action to enforce the collection of Capital Fees, and the revenue derived from the sale or other disposition of property acquired by a Taxing District from any action to enforce the collection of Capital Fees. Notwithstanding any of the foregoing, Capital Fees do not include the Excluded Fees or any fee imposed by a Taxing District solely for the purpose of funding operation and maintenance expenses.

“*Colorado Municipal Bond Supervision Act*” means Title 11, Article 59, Part 1, C.R.S.

“*Developer*” means JEN Colorado 18 LLC, a Colorado limited liability company and its successors and assigns.

“*Developer Reimbursement Obligations*” means the obligations of the Issuing District under the Acquisition Agreement and any note, bond or other instrument issued to or at the direction of the Developer in payment of amounts due and owing under the Acquisition Agreement, solely to the extent relating to costs of Financed Public Improvements, and so long as payable, with respect to ad valorem property taxes of the Taxing Districts, solely from Junior Pledged Revenue available therefor in accordance with the terms hereof.

“*District No. 4*” means Hess Ranch Metropolitan District No. 4, in the Town of Parker, Douglas County, Colorado.

“*District No. 5*” means Hess Ranch Metropolitan District No. 5, in the Town of Parker, Douglas County, Colorado.

“*District No. 7*” means Hess Ranch Metropolitan District No. 7, in the Town of Parker, Douglas County, Colorado.

“*District No. 8*” means Hess Ranch Metropolitan District No. 8, in the Town of Parker, Douglas County, Colorado.

“*District Subordinate Junior Lien Obligations*” means any bonds, notes, or other obligations payable in whole or in part from, or constituting a lien upon, the general ad valorem taxes of a Taxing District on a basis subordinate to its Junior Payment Obligation hereunder.

“*Excluded Fees*” means, collectively, all fees imposed by any one or more of the Taxing Districts as a one-time fee or charge on a per-unit (residential) or per square-foot (non-residential) basis at or prior to the issuance of a certificate of occupancy for the unit or structure so long as not in excess of: (i) for each single-family detached residential unit, \$2,000; (ii) for each single-family attached or multi-family residential unit, \$1,500; and (iii) for a structure other than a single-family or multi-family residential structure, \$0.25 per square foot of the structure; provided, however, that such maximum amounts are to be increased annually, commencing

January 1, 2019, to reflect any annual increase in the Consumer Price Index for Denver-Boulder, all items, all urban consumers (or its successor index for any years for which Consumer Price Index is not available).

“Financed Public Improvements” means the Public Improvements authorized by the Election and which each of the Taxing Districts has found and determined is in the nature of community improvements intended for the general direct or indirect benefit of the existing and planned residential and commercial community within the Taxing Districts, and constitutes improvements for which the applicable Taxing District is authorized to issue indebtedness and impose ad valorem property taxes in accordance with the Election and the Service Plans, and the payment of such costs of the Public Improvements is in furtherance of the purposes for which the applicable Taxing District was formed.

“Financing Costs” means the principal and redemption price of, and interest and premium on, the 2022C Junior Bonds, and any Additional Junior Obligations, required deposits to or replenishments of funds or accounts securing the 2022C Junior Bonds and any Additional Junior Obligations, and customary fees and expenses relating to the 2022C Junior Bonds and any Additional Junior Obligations, all in accordance with the 2020B Subordinate Indenture or Additional Junior Obligation Documents, as applicable, including: (a) with respect to the 2022C Junior Bonds, the principal and interest components of any mandatory redemption payments as provided in the 2020B Subordinate Indenture; and (b) with respect to any Additional Junior Obligations, any scheduled mandatory or cumulative sinking fund payments and any extraordinary redemption amounts to the extent provided in the Additional Junior Obligation Documents and replenishment of any reserves and funding of any surplus funds relating to the Additional Junior Obligations, customary fees related to the issuance of the Additional Junior Obligations (including, but not limited to, fees of a trustee, paying agent, rebate agent, and provider of liquidity or credit facility), and any reimbursement due to a provider of liquidity or credit facility securing any Additional Junior Obligations. Where used in describing the permitted uses by the Issuing District of the Junior Pledged Revenue, “Financing Costs” also includes the payment of the principal and redemption price of, and interest on, any obligation issued by any District to fund the Financed Public Improvements.

“Fiscal Year” means the twelve - month period ending December 31 of each calendar year.

“Infrastructure Capital Mill Levy” has the meaning assigned it in the applicable Service Plan of the Taxing District, as such Service Plan exists of the date hereof; provided, however, that: (i) in the event the method of calculating assessed valuation has or is changed on or after January 1, 2019, the 5 mills required to be imposed as the Infrastructure Capital Mill Levy in accordance with the Service Plan will be increased or decreased with respect to each Taxing District separately to reflect such changes, such increases or decreases to be determined by the Issuing District in good faith in consultation with the applicable Taxing District (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; and (ii) notwithstanding anything herein to the contrary, in no event may the Infrastructure Capital Mill Levy for a Taxing District be established at a mill levy which would cause such Taxing District to derive tax revenue in any year in excess of the maximum tax

increases permitted by such Taxing District’s electoral authorization, and if the Infrastructure Capital Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by such Taxing District’s electoral authorization, the Infrastructure Capital Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

“*Issuing District*” means Hess Ranch Metropolitan District No. 6, in the Town of Parker, Douglas County, Colorado.

“*Junior Capital Fee Revenues*” means any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations and Subordinate Obligations.

“*Junior Infrastructure Capital Mill Levy Revenues*” means the following revenues to the extent remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations and Subordinate Obligations: (i) all moneys derived from imposition by the Taxing Districts of the Infrastructure Capital Mill Levy (inclusive of specific ownership taxes, but net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County); and (ii) all revenues derived from any PILOT relating to the Infrastructure Capital Mill Levy imposed by any Taxing District.

“*Junior Payment Obligation*” with respect to each Taxing District means, collectively, the obligations of such Taxing District to pay its allocated portion of the Financing Costs with respect to the 2022C Junior Bonds and any Additional Junior Obligation in accordance with the provisions hereof, but solely from its Junior Pledged Revenue, to the extent available, it being recognized that each such obligation shall arise hereunder upon the issuance of the 2022C Junior Bonds or Additional Junior Obligation with respect to which such obligation relates.

“*Junior PILOT Revenues*” means all revenues derived from any PILOT relating to the Junior Required Mill Levy imposed by any Taxing District.

“*Junior Pledged Revenue*” means the following:

- (a) all Junior Property Tax Revenues;
- (b) all Junior Specific Ownership Tax Revenues;
- (c) all Junior PILOT Revenues;
- (d) all Junior Capital Fee Revenues, if any; and
- (e) all Junior Infrastructure Capital Mill Levy Revenues, if any.

“*Junior Property Tax Revenues*” means all moneys derived from imposition by the Taxing Districts of the Junior Required Mill Levy. Junior 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, Junior Property Tax Revenues does not include specific ownership tax revenues.)

“*Junior Required Mill Levy*” means, for each Taxing District, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of such Taxing District each year in an amount equal to: (i) the applicable Maximum Required Mill Levy **less the then applicable Senior Obligation Mill Levy and Subordinate Obligation Mill Levy**, or (ii) such lesser amounts determined by the Issuing District which maintains the Relative Required Mill Levy Ratio and which, assuming imposition of the applicable amounts (determined by the Issuing District, maintaining the Relative Required Mill Levy Ratio) by each Taxing District for collection in the succeeding calendar year, would generate Junior Property Tax Revenues and Junior PILOT Revenues (if any) relating to the Junior Required Mill Levy which, together with the Junior Infrastructure Capital Mill Levy Revenues (if any) would be sufficient to pay the 2022C Junior Bonds and any other Additional Junior Obligations in full in the year of collection; provided, however, that, notwithstanding anything herein to the contrary, in no event may the Junior Required Mill Levy for a Taxing District imposed for the payment of Financing Costs of a Limited Obligation exceed 50 mills (without adjustment), less the number of mills required to be imposed hereunder or under any other agreement (including the Senior Pledge Agreement and the Subordinate Pledge Agreement) or instrument for the payment of Financing Costs of obligations that do not constitute Limited Obligations; and notwithstanding anything herein to the contrary, in no event may the Junior Required Mill Levy for a Taxing District be established at a mill levy which would cause such Taxing District to derive tax revenue in any year in excess of the maximum tax increases permitted by such Taxing District’s electoral authorization, and if the Junior Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by such Taxing District’s electoral authorization, the Junior Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

“*Junior Specific Ownership Tax Revenues*” means the specific ownership taxes remitted to the Taxing Districts pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of their imposition of the Junior Required Mill Levy in accordance with the provisions hereof.

“*Legislatively-Adjusted*” means an increase or decrease (as applicable) to a mill levy imposed by District No. 4, District No. 5, District No. 7, District No. 8 or the Issuing District (to be made for mill levies imposed by District No. 4, District No. 5, District No. 7, District No. 8 and the Issuing District separately), to occur in the event the method of calculating assessed valuation has or is changed on or after January 1, 2019, such increases or decreases to be determined by the Issuing District in good faith in consultation with the applicable Taxing District (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.

“*Limited Obligation*” means any Additional Junior Obligation designated as such in writing provided to the other Districts. (As used herein, it is intended that Limited Obligations will be comprised of the Additional Junior Obligations that are not initially issued to financial institutions or institutional investors, do not otherwise satisfy one of the conditions of Section 32-1-1101(6)(a), C.R.S., or will not constitute a refunding or restructuring contemplated by

Section 32-1-1101(6)(b) C.R.S., or that the Issuing District otherwise determines shall be payable from ad valorem property taxes not in excess of 50 mills, without adjustment.)

“*Master IGA*” means the Master Intergovernmental Agreement between the Issuing District, District No. 4, District No. 5, District No. 7 and District No. 8 dated October 29, 2019, as may be amended from time to time.

“*Maximum Required Mill Levy*” means: (i) with respect to the Residential Taxing Districts, 57 mills; and (ii) with respect to District No. 8, 30 mills; provided however, that in the event the method of calculating assessed valuation has or is changed on or after January 1, 2019, the 57 and 30 mill levy maximums provided herein will be increased or decreased with respect to each Taxing District separately to reflect such changes, such increases or decreases to be determined by the Issuing District in good faith in consultation with the applicable Taxing District (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. It is acknowledged that such adjustment may result in different mill levies being imposed by the Issuing District, District No. 4, District No. 5 and District No. 7, notwithstanding the same stated maximum above of 57 mills. Furthermore, in accordance with the Service Plans, the maximum mill levies of 57 and 30 shall be reduced by the number of mills necessary to pay unlimited mill levy debt (the issuance of which is subject to the limitations of this Agreement).

“*Mill Levy Certification Date*” means the date each year on which a Taxing District is required to impose the Junior Required Mill Levy in accordance with the provisions hereof.

“*Mill Levy Commencement Year*” means:

(a) for each Residential Taxing District, the earlier of: (i) the first calendar year in which, prior to the Mill Levy Certification Date in such year: (A) any portion of the property in such Residential Taxing District (as applicable) is classified by the County Assessor as residential, commercial or vacant land, as reflected in publicly available records of the County Assessor indicating the Final Assessed Valuation of the applicable Taxing District, and (B) a final subdivision plat has been recorded with respect to all or a portion of property in the applicable Taxing District, or (ii) the calendar year ending December 31, 2025; and

(b) for District No. 8, the calendar year ending December 31, 2020.

“*PILOT*” means the 2020 PILOT and any other covenant recorded against the subject property imposing a payment in lieu of taxes payable to any of the Taxing Districts against any portion of such property that is exempt from ad valorem property taxation.

“*Public Improvements*” means public facilities, improvements and infrastructure the debt for which was approved at the Election, including without limitation necessary or appropriate equipment.

“*Relative Required Mill Levy Ratio*” means the relationship of the Senior Required Mill Levies imposed by the Taxing Districts vis a vis each other represented by the imposition of 57 mills (Legislatively-Adjusted) by District No. 4, 57 mills (Legislatively-Adjusted) by District No. 5, 57 mills (Legislatively-Adjusted) by the Issuing District, 57 mills (Legislatively-Adjusted) by District No. 7, and 30 mills by District No. 8 (i.e., a ratio of 57 (Legislatively-Adjusted as necessary for District No. 4) : 57 (Legislatively-Adjusted as necessary for District No. 5) : 57 (Legislatively-Adjusted as necessary for the Issuing District) : 57 (Legislatively-Adjusted as necessary for District No. 7) : 30, representing the relationship of the District No. 4 mill levy to the District No. 5 mill levy to the Issuing District mill levy to the District No. 7 mill levy to the District No. 8 mill levy). Below are two examples of operation of the Relative Required Mill Levy Ratio as used in the definition of Senior Required Mill Levy.

Example 1: Assuming no changes have occurred (after the date hereof) in calculating assessed valuation (including a change in the residential assessment ratio), and assuming that only 90% of the revenues that would otherwise be generated from the Maximum Required Mill Levy are necessary to fund the amounts required in the definition of Senior Required Mill Levy, the 57 mills and the 30 mills would be reduced by 10%, resulting in levies of 51.300 mills imposed by each of District No. 4, District No. 5, the Issuing District and District No. 7, and 27 mills imposed by District No. 8.

Example 2: The residential assessment ratio reduces to 6.55%. Assuming no change in the relative amounts of residential and non-residential property in District No. 4, District No. 5 and the Issuing District, the resulting Legislatively-Adjusted 57 mills would be 62.221 mills, and the resulting Relative Required Mill Levy Ratio would be 62.221 mills (for District No. 4): 62.221 mills (for District No. 5): 62.221 mills (for the Issuing District): 62.221 mills (for District No. 7): 30 (District No. 8). Assuming that only 90% of the revenues that would otherwise be generated from the Maximum Required Mill Levy are necessary to fund the amounts required in the definition of Senior Required Mill Levy, the 62.221 mills (Legislatively-Adjusted) and the 30 mills would be reduced by 10%, resulting in levies of 55.998 mills imposed by District No. 4, District No. 5, the Issuing District and District No. 7, and 27 mills imposed by District No. 8.

“*Residential Taxing District*” means each of the Issuing District, District No. 4, District No. 5 and District No. 7.

“*Senior Obligations*” means, collectively, the 2020A Senior Bonds, any obligations constituting “Parity Bonds” under the 2020A Senior Indenture, and any other obligation of the Issuing District so designated by the Issuing District as a Senior Obligation (such that any ad valorem property taxes imposed for the payment thereof will constitute a Senior Obligation Mill Levy hereunder).

“*Senior Obligation Mill Levy*” means the ad valorem property tax levy required to be imposed by the Taxing Districts in accordance with the Senior Pledge Agreement and any other ad valorem property tax levy required to be imposed by the Taxing Districts for the payment of Senior Obligations (but excluding the Infrastructure Capital Mill Levy).

“*Senior Pledge Agreement*” means the Senior Capital Pledge Agreement, dated as of March 1, 2020, by and among the Taxing Districts and the Trustee.

“*Service Plans*” means, collectively, the Amended and Restated Service Plan for each Taxing District approved by the Town Council of the Town on August 5, 2019 (as further amended or restated from time to time).

“*Subordinate Obligations*” means, collectively, the 2020B Subordinate Bonds, any obligations constituting “Parity Bonds” under the 2020B Subordinate Indenture, and any other obligation of the Issuing District so designated by the Issuing District as a Subordinate Obligation (such that any ad valorem property taxes imposed for the payment thereof will constitute a Subordinate Obligation Mill Levy hereunder).

“*Subordinate Obligation Mill Levy*” means the ad valorem property tax levy required to be imposed by the Taxing Districts in accordance with the Subordinate Pledge Agreement and any other ad valorem property tax levy required to be imposed by the Taxing Districts for the payment of Subordinate Obligations (but excluding the Infrastructure Capital Mill Levy).

“*Subordinate Pledge Agreement*” means the Subordinate Capital Pledge Agreement, dated as of March 1, 2020, by and among the Taxing Districts and the Trustee.

“*State*” means the State of Colorado.

“*Supplemental Act*” means the “Supplemental Public Securities Act,” being Title 11, Article 57, Part 2, C.R.S., as amended.

“*Taxing Districts*” means, collectively, the Issuing District, District No. 4, District No. 5, District No. 7 and District No. 8, including any duly authorized representative, officer, director, employee, agent, engineer or attorney of any such Taxing District, if applicable.

“*Termination Date*” means the earlier of the following dates (as applicable): (i) the date on which all amounts due with respect to the 2022C Junior Bonds and any Additional Junior Obligations have been defeased or paid in full; or (ii) with respect to District No. 4, District No. 5, District No. 6 (the Issuing District) and District No. 7 only, December 31 of the fortieth (40th) calendar year after the applicable Mill Levy Commencement Year (for purposes of complying with the Service Plan limitation regarding the maximum term for which ad valorem property taxes may be collected by such Districts for such purpose); *provided, however*, that the obligations of the Taxing Districts hereunder with respect to their respective Junior Payment Obligations pertaining to the 2022C Junior Bonds shall terminate on December 31, 2062, and notwithstanding any other provisions hereof, the Taxing Districts shall not be obligated to impose any portion of the Junior Required Mill Levy for payment of the 2022C Junior Bonds after tax levy year 2061 (for collection in calendar year 2062).

“*Town Capital and Maintenance Mill Levy*” means the ad valorem property tax levy designated as such required to be imposed by a Taxing District in the years and at the rates provided in the Service Plan, which Town Capital and Maintenance Mill Levy is separate and distinct from such Taxing District’s debt service mill levy (including the Junior Required Mill Levy described herein).

“*Town Capital and Maintenance Mill Levy Agreement*” means any agreement entered into by a Taxing District pursuant to which it is obligated to impose and remit the proceeds of the Town Capital and Maintenance Mill Levy, as contemplated by the Service Plan.

“*2020 PILOT*” means the Declaration of Payment in Lieu of Taxes Covenant made by the Developer, as declarant, recorded in the real property records of the Clerk and Recorder of the County on March 12, 2020, Reception No. 2020018214.

ARTICLE II

PAYMENT OBLIGATION

Section 2.01. No Additional Electoral Approval Required. The authorization for issuance of debt, fiscal year spending, revenue collections and other constitutional matters requiring voter approval for purposes of this Agreement, was approved at elections held for the Taxing Districts on November 3, 2015 in accordance with law and pursuant to due notice. The performance of the terms of this Agreement requires no further electoral approval.

Section 2.02. Funding of Financing Costs Generally.

(a) In exchange for the purchase by the Bondholders of the 2022C Junior Bonds and any Additional Junior Obligations, the proceeds of which are to be applied to the provision of the Financed Public Improvements each Taxing District (including the Issuing District) hereby agrees to pay such portion of the Financing Costs as may be funded with the Junior Pledged Revenue available to it, in accordance with the provisions hereof.

(b) The obligation of each Taxing District to pay its portion of the Financing Costs as provided herein shall constitute a limited tax general obligation of such Taxing District payable solely from and to the extent of the Junior Pledged Revenue available to it. The obligation of each Taxing District to pay the Financing Costs as provided herein (the “**Junior Payment Obligation**”) shall constitute an irrevocable lien upon the Junior Pledged Revenue and the Junior Pledged Revenue of each Taxing District is hereby pledged to the payment thereof. The Junior Payment Obligation of the Issuing District hereunder is the same, and not in addition to, its obligation under the 2022C Junior Indenture and any Additional Junior Obligation Document to which the Issuing District is a party. The Taxing Districts hereby elect to apply all of the provisions of the Supplemental Act to this Agreement and the Junior Payment Obligation, provided that the provisions of Section 11-57- 207(1)(a), C.R.S., as amended, relating to limiting securities to a term of forty years shall apply separately to each Junior Payment Obligation as it arises hereunder upon the issuance of the 2022C Junior Bonds or Additional Junior Obligations with respect to which such obligation relates.

(c) In no event shall the total or annual obligations of any Taxing District hereunder exceed the maximum amounts permitted under such Taxing District’s

electoral authority and any other applicable law. The entire Junior Payment Obligation of each Taxing District will be deemed defeased and no longer outstanding upon the payment by such Taxing District of such amount.

(d) Because the actual total Junior Pledged Revenue payable by each Taxing District hereunder cannot be determined with any certainty at this time, the Taxing Districts shall not be permitted to pre-pay any amounts due hereunder.

Section 2.03. Imposition of Junior Required Mill Levy and Infrastructure Capital Mill Levy.

(a) In order to fund their respective Junior Payment Obligations, each Taxing District (including the Issuing District) agrees to levy on all of the taxable property in such Taxing District, in addition to all other taxes, direct annual taxes in the applicable Mill Levy Commencement Year, and in each year thereafter, so long as the 2022C Junior Bonds or Additional Junior Obligations remain outstanding (subject to paragraph (b) below), for the purpose of providing for payment of the Financing Costs, in the amounts of the applicable Junior Required Mill Levy and the Junior Infrastructure Capital Mill Levy. Nothing herein shall be construed to require a Taxing District to impose an ad valorem property tax levy for the payment of the Junior Payment Obligation in excess of the applicable Junior Required Mill Levy and the Junior Infrastructure Capital Mill Levy or after the Termination Date.

(b) NOTWITHSTANDING ANY OTHER PROVISIONS HEREIN, NONE OF THE TAXING DISTRICTS SHALL BE REQUIRED BY THIS AGREEMENT TO IMPOSE THE JUNIOR REQUIRED MILL LEVY OR THE JUNIOR INFRASTRUCTURE CAPITAL MILL LEVY FOR PAYMENT OF THE 2022C JUNIOR BONDS AFTER DECEMBER 2061 (FOR COLLECTION IN CALENDAR YEAR 2062), AND NONE OF THE TAXING DISTRICTS SHALL BE REQUIRED BY THIS AGREEMENT TO IMPOSE THE JUNIOR REQUIRED MILL LEVY OR THE JUNIOR INFRASTRUCTURE CAPITAL MILL LEVY FOR PAYMENT OF ANY OBLIGATION AFTER THE TAX LEVY YEAR PRECEDING THE APPLICABLE TERMINATION DATE.

(c) In order to facilitate the determination of the Junior Required Mill Levy, each of the Taxing Districts (excluding the Issuing District) shall provide to the Issuing District: (i) on or before September 30 of each year, commencing September 30, 2022, the preliminary certification of assessed value for such Taxing District provided by the Douglas County Assessor; and (ii) no later than one business day after receipt by each Taxing District, the final certified assessed value for such Taxing District, provided by the Douglas County Assessor (expected to be provided by the Douglas County Assessor no later than December 10 of each year). In accordance with the definition of Junior Required Mill Levy set forth herein, the Issuing District shall preliminarily determine, and provide to the Taxing Districts, the Junior Required Mill Levy for each Taxing District no later than October 15 of each year, and shall finally determine, and provide to the Taxing Districts, the Junior Required Mill Levy for each Taxing District no later than December 12 of each year.

(d) Each Taxing District acknowledges that it has actively participated in the development of the calculation for determining the Junior Required Mill Levy for each Taxing District, including the Relative Required Mill Levy Ratio that such calculation and such provisions are designed to reasonably allocate among the Taxing Districts the Financing Costs based on the mutual benefit to the Taxing Districts of the Financed Public Improvements and the relative ability of such Taxing Districts, dependent upon the relative stages of development therein, to fund such Financing Costs in any given year and that, so long as made in accordance with the foregoing, the determinations of the Issuing District as to the Junior Required Mill Levy for each Taxing District shall be final and binding upon each Taxing District.

(e) This Section 2.03 is hereby declared to be the certificate of each Taxing District to the Board of County Commissioners indicating the aggregate amount of taxes (in the amount of the applicable Junior Required Mill Levy and the Junior Infrastructure Capital Mill Levy) to be levied for the purposes of paying the Junior Payment Obligations due hereunder.

(f) It shall be the duty of each Taxing District annually at the time and in the manner provided by law for the levying of its taxes, if such action shall be necessary to effectuate the provisions of this Agreement, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes herein specified, and to require the officers of such Taxing District to cause the appropriate officials of Douglas County, to levy, extend and collect said ad valorem taxes in the manner provided by law for the purpose of providing funds for the payment of the amounts to be paid hereunder promptly as the same, respectively, become due. Said taxes, when collected, shall be applied only to the payment of the amounts to be paid hereunder.

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

(h) The Taxing Districts hereby agree to cooperate in the amendment of this Agreement to modify the definition of Junior Required Mill Levy if necessary, in the determination of the Issuing District, to facilitate the issuance of Additional Junior Obligations by the Issuing District.

(i) Each Taxing District shall pursue all reasonable remedies to collect, or cause the collection of, delinquent ad valorem taxes within its boundaries.

(j) The parties hereto acknowledge that District No. 4, District No. 5, District No. 7 and District No. 8 may be obligated to impose additional property taxes for the payment of operation and maintenance costs in accordance with the Master IGA or other successor or additional agreement, subject to the limitations hereof. This Agreement shall not operate to limit such obligations except as specifically set forth herein and in the Master IGA.

(k) It is acknowledged that the Junior Infrastructure Capital Mill Levy that the Taxing Districts have covenanted to impose in accordance with the provisions hereof constitutes the same Infrastructure Capital Mill Levy (and not an additional mill levy) that the Taxing Districts have covenanted to impose in accordance with the terms of the Senior Pledge Agreement and the Subordinate Pledge Agreement. Furthermore, it is acknowledged that the lien of the Junior Payment Obligation on revenues resulting from or relating to the Infrastructure Capital Mill Levy, is subordinate to the lien thereon of the Senior Payment Obligation established by the Senior Pledge Agreement and the Subordinate Payment Obligation established by the Subordinate Pledge Agreement and that, accordingly, Junior Pledged Revenue includes only that portion of property taxes and PILOT revenue resulting from or relating to the Infrastructure Capital Mill Levy remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations and the Subordinate Obligations.

(l) The parties hereto acknowledge that the defined term “Maximum Required Mill Levy” is used herein solely to determine the Junior Required Mill Levy required to be imposed for payment of the 2022C Junior Bonds and any Additional Junior Obligations, and does not limit any obligation of a Taxing District to impose any other mill levy in accordance with its Service Plan or otherwise, including, but not limited to, the obligation of each Taxing District to impose the Infrastructure Capital Mill Levy (in accordance with the provisions of the Senior Pledge Agreement and the Subordinate Pledge Agreement, hereof and the applicable Service Plan), and the Town Capital and Maintenance Mill Levy (in accordance with the provisions of the applicable Service Plan).

Section 2.04. Payment and Application of Junior Pledged Revenue.

(a) Each Taxing District hereby agrees to remit to the Trustee, or as otherwise directed by the Issuing District (subject to the limitations and requirements of the 2022C Junior Indenture and any Additional Junior Obligation Documents) as soon as practicable upon receipt, and in no event later than the 15th day of the calendar month immediately succeeding the calendar month in which such revenue is received by the applicable Taxing District, all revenues comprising Junior Pledged Revenue (if and to the extent received or controlled by such Taxing Districts), which Junior Pledged Revenue shall be applied by the Trustee or other recipient thereof to Financing Costs, in accordance with the 2022C Junior Indenture or Additional Junior Obligation Documents, as applicable; provided, however, that in the event that the total amount of Junior Pledged Revenue received by a Taxing District in a calendar month is less than \$50,000, the Junior Pledged Revenue received in such calendar month may instead be remitted to the Trustee no later than the 15th day of the calendar month immediately succeeding the calendar quarter in which such revenue is received by the Taxing District (i.e., no later than April 15th for Junior Pledged Revenue received in January, February or March, no later than July 15th for Junior Pledged Revenue received in April, May or June, no later than October 15th for Junior Pledged Revenue received in July, August or September, and no later than January 15th for Junior Pledged Revenue received in October, November or December). IN NO EVENT IS A TAXING DISTRICT PERMITTED TO APPLY ANY PORTION OF THE JUNIOR PLEDGED REVENUE TO ANY OTHER

PURPOSE, OR TO WITHHOLD ANY PORTION OF THE JUNIOR PLEDGED REVENUE. To the extent any portion of such Junior Pledged Revenue is released from the lien of the 2022C Junior Indenture and Additional Junior Obligation Documents (if any), the Issuing District will continue to ensure that such revenues are applied to Financing Costs and any other costs of the Public Improvements, it being acknowledged that in no event would such excess revenue exceed the dollar amount equal to the revenues that would be generated from an annual imposition of an ad valorem property tax levy of 50 mills (without adjustment) on the assessed valuation of each Taxing District. Junior Pledged Revenue shall be paid in lawful money of the United States of America by check mailed or delivered, or by wire transfer, or such other method as may be mutually agreed to by the Taxing Districts.

(b) Each Taxing District hereby covenants that all property tax revenue and PILOT revenue collected by such Taxing District from, or relating to, a debt service mill levy, excluding the Infrastructure Capital Mill Levy, or so much thereof as is needed, shall first be designated as property taxes and PILOT revenue (respectively) resulting from imposition of the Senior Obligation Mill Levy in any Bond Year (as defined in the 2020A Senior Indenture) to pay annual debt service on Senior Obligations and to fund such funds and accounts as are required in accordance with the terms of the 2020A Senior Indenture and any other resolution, indenture or other enactment authorizing such Senior Obligations, and Subordinate Obligation Mill Levy in any Bond Year (as defined in the 2020B Subordinate Indenture) to pay annual debt service on Subordinate Obligations and to fund such funds and accounts as are required in accordance with the terms of the 2020B Subordinate Indenture and any other resolution, indenture or other enactment authorizing such Subordinate Obligations, and after the funding of such payments and accumulations required in such Bond Year, all property tax revenue and PILOT revenue collected by the Taxing Districts from, or relating to, a debt service mill levy for the remainder of such Bond Year shall, second, be designated as property taxes and PILOT revenue (respectively) resulting from imposition of the Junior Required Mill Levy unless and until the Taxing Districts have funded the full amount outstanding with respect to the 2022C Junior Bonds and, to the extent required by any Additional Junior Obligation Documents, any Additional Junior Obligations. The debt service property tax levy imposed for the payment of any District Subordinate Junior Lien Obligations shall be deemed reduced to the number of mills available for payment of such District Subordinate Junior Lien Obligations in any Bond Year after first providing for the funding of payments and accumulations required with respect to all Senior Obligations in such Bond Year (including the amounts required to accomplish the full repayment or defeasance of any such Senior Obligations, to the extent required by the applicable resolutions, indentures, or other enactments authorizing Senior Obligations), the full amount outstanding with respect to all Subordinate Obligations (to the extent required by the applicable resolutions, indentures or other enactments authorizing such Subordinate Obligations), the full amount outstanding with respect to the Series 2022C Junior Bonds and any Additional Junior Obligations (to the extent required by the applicable resolutions, indentures, or other enactments authorizing such Junior Obligations).

(c) Notwithstanding the provisions of clause (b) above, the portion of debt service mill levy property tax revenues collected as a result of the Town Capital and

Maintenance Mill Levy (if imposed as a debt service mill levy) and Infrastructure Capital Mill Levy (which is required to be imposed as a debt service mill levy) shall be determined as debt service mill levy property tax revenues are collected, based upon the ratio of the number of mills comprising the Town Capital and Maintenance Mill Levy, to the number of mills comprising the Infrastructure Capital Mill Levy, to the number of mills comprising the remainder of the debt service mill levy imposed by the District. The portion of property tax revenues collected as a result of the Town Capital and Maintenance Mill Levy shall be remitted by the Taxing Districts in accordance with the Service Plan and any applicable Town Capital and Maintenance Mill Levy Agreement and shall not be deposited with the Trustee regardless of whether amounts required with respect to the 2022C Junior Bonds and any Additional Junior Obligations have been fully funded. In no event shall the number of mills constituting the Town Capital and Maintenance Mill Levy or the Infrastructure Capital Mill Levy be subject to reduction as a result of amounts required to be funded with respect to the 2022C Junior Bonds and any Additional Junior Obligations. The portion of property tax revenues collected as a result of the Infrastructure Capital Mill Levy shall be remitted by the Taxing Districts in accordance with the Senior Pledge Agreement, the Subordinate Pledge Agreement and the provisions hereof.

Section 2.05. Obligations and Limitations Relating to Developer Reimbursement Obligations.

(a) It is acknowledged that Developer Reimbursement Obligations are expected to be incurred in connection with the costs of additional Financed Public Improvements, that the proceeds of the 2020A Senior Bonds, the 2020B Subordinate Bonds and the 2022C Junior Bonds may not be sufficient to pay the Developer Reimbursement Obligations in full, and that the remaining amounts payable with respect to which Developer Reimbursement Obligations shall constitute Financing Costs hereunder payable from the proceeds of the Junior Required Mill Levy, subject to the limitations herein. The Taxing Districts hereby agree that, subject to the prior payment in full or defeasance of the 2022C Junior Bonds and, to the extent required by the applicable Additional Junior Obligation Documents, the payment and/or fund accumulations required with respect to such Additional Junior Obligations, any remaining available Junior Pledged Revenue (the “**Excess Junior Pledged Revenue**”) shall be applied by the Issuing District to the payment of the Developer Reimbursement Obligations, subject to the limitations hereof. The Issuing District agrees to apply such Excess Junior Pledged Revenue as received accordingly. Notwithstanding the foregoing, this Agreement shall not be interpreted to afford the Developer or any other beneficiary of Developer Reimbursement Obligations any consent rights with respect to the issuance by the Issuing District of any Additional Junior Obligations.

(b) It is acknowledged that any Developer Reimbursement Obligations will constitute Limited Obligations hereunder and, as such, the Taxing Districts will not be obligated to impose a Junior Required Mill Levy for the payment thereof in excess of 50 mills (without adjustment) less the amount of the Junior Required Mill Levy imposed for obligations that do not constitute Limited Obligations, and less the Senior Obligation Mill Levy and the Subordinate Obligation Mill Levy.

(c) Notwithstanding any other provision contained herein, the obligations of the Taxing Districts herein with respect to the imposition of ad valorem property taxes and remittance of the same for the payment of Developer Reimbursement Obligations shall be subject to annual appropriation by the Board of each Taxing District until such time as such Board adopts a resolution which (i) allocates electoral authorization to the indebtedness of this Agreement relating thereto or recognizes that electoral authorization is not required for the Taxing District's obligation with respect thereto to constitute a multiple fiscal year obligation, and (ii) acknowledges that such Taxing District's obligations hereunder with respect thereto constitute multiple fiscal year obligations.

Section 2.06. Effectuation of Pledge of Security, Current Appropriation.

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

In addition, and without limiting the generality of the foregoing, the obligations of each Taxing District to transfer funds as described herein for each payment described herein 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 Taxing Districts to properly disclose, pursuant to State law, any potential conflicts of interest related hereto in any way, provided that such disclosure is made on the record of Taxing Districts' meetings as set forth in their official minutes.

Section 2.07. Limited Defenses; Specific Performance.

It is understood and agreed by each Taxing District that its obligations hereunder are absolute, irrevocable, and unconditional except as specifically stated herein, and so long as any obligation of a Taxing District hereunder remains unfulfilled, such Taxing District agrees that notwithstanding any fact, circumstance, dispute, or any other matter, it will not assert any rights of setoff, counterclaim, estoppel, or other defenses to its Junior Payment Obligation, or take or fail to take any action which would delay a payment to, or on behalf of, the Issuing District, the Trustee, or any Bondholders or impair the ability of the Issuing District, the Trustee, or any Bondholders to receive payments due hereunder. Notwithstanding that this Agreement specifically prohibits and limits defenses and claims of the Taxing Districts, in the event that a Taxing District believes that it has valid defenses, setoffs, counterclaims, or other claims other than specifically permitted by this Section 2.07, it shall, nevertheless, make all payments as described herein and then may attempt or seek to recover such payments by actions at law or in equity for damages or specific performance, respectively.

Section 2.08. Impact of Exclusion of Property.

(a) The parties to this Pledge Agreement hereby agree that this Pledge Agreement constitutes “indebtedness” as contemplated by Section 32-1-503, C.R.S. Subject to clause (b) below, any property excluded from a Taxing District after the date hereof is to remain liable for the imposition of the Junior Required Mill Levy and the Infrastructure Capital Mill Levy and payment of the proceeds thereof in accordance with the provisions hereof, to the same extent as such property otherwise remains liable for the debt of such Taxing District, as provided in Section 32-1-503, C.R.S. In the event that any order providing for the exclusion of property from a Taxing District does not so provide and specifically indicate the liability of such excluded property for the obligations set forth herein (and consistent with clause (b) hereof), each Taxing District hereby agrees to take all actions necessary to cause the property owners of such proposed excluded property to covenant to assume all responsibilities under this Agreement, which covenants shall run with the land and shall be in a form satisfactory to the Issuing District.

(b) The Board of Directors of the Residential Taxing Districts have found and determined that: (i) the residential portions of the development planned for the Taxing Districts are intended to be located within the boundaries of one of the Residential Taxing Districts; (ii) such residential properties are intended to be located within a particular Residential Taxing District in accordance with the anticipated phasing of such residential development which, due to the operation of the Mill Levy Commencement Year (to be determined separately for each Residential Taxing District), is intended to result in each phase of the residential development being subject to the Junior Required Mill Levy and the Infrastructure Capital Mill Levy for an equivalent period of time (40 years from the time of commencement of development of the applicable phase); (iii) property within the Taxing Districts is in the early stages of development and, with the exception of property within the boundaries of District No. 4, none of the property planned for the residential portions of the development has been preliminarily or finally subdivided pursuant to a subdivision plat or is otherwise subject to a final development plan identifying the final location of each phase of the planned residential development; (iv) the Residential Taxing Districts are intended to impose substantially the same Junior Required Mill Levy and Infrastructure Capital Mill Levy (subject to variations as a result of the Gallagher-Adjustment) for the same indebtedness contemplated herein (the 2022C Junior Bonds and any Additional Junior Obligations), the payment by a property taxpayer of such mill levies imposed by any one of the Residential Taxing Districts will satisfy the intent of this Agreement, and it is not the intent hereof that any residential property be subject to the Junior Required Mill Levy and Infrastructure Capital Mill Levy of more than one Residential Taxing District; and (v) it is in the best interests of the Residential Taxing Districts, the residents and the property taxpayers thereof to allow sufficient flexibility hereunder with respect to the exclusion of property from the boundaries of one Residential Taxing District and into the boundaries of another Residential Taxing District as development plans are finalized to accomplish the objective of grouping residential properties by phase of development into particular Residential Taxing Districts. Therefore, notwithstanding the provisions of clause (a) of this Section 2.08, any property excluded from the boundaries of a particular Residential Taxing District (the “Origin

District”) and included into the boundaries of another Residential Taxing District (the “Final District”) prior to May 1 of the Mill Levy Commencement Year of the Origin District shall not be subject to the Senior Required Mill Levy and Infrastructure Capital Mill Levy of the Origin District but, rather, the collection and remittance of the Junior Required Mill Levy and Infrastructure Capital Mill Levy imposed by the Final District shall satisfy all obligations of such property with respect to the Junior Payment Obligation hereunder in accordance with Section 32-1-503, C.R.S.

(c) Each Residential Taxing District hereby advises and directs the County Assessor that no action is required to designate separate taxing areas for purposes of imposition and collection of the mill levies required to be imposed hereunder in connection with the exclusion of any property occurring prior to May 1 of such Residential Taxing District’s Mill Levy Commencement Year, provided that, prior to such date, such property has been included into another Residential Taxing District. Furthermore, in order to implement the foregoing findings of the Residential Taxing Districts, in the event that a taxing area is established by the County Assessor with respect to any property in connection with such property’s exclusion from a Residential Taxing District occurring prior to May 1 of such Residential Taxing District’s Mill Levy Commencement Year and, prior to such date, such property has been included into another Residential Taxing District, any mill levy thereon shall be certified by the applicable Origin District as zero.

(d) The Taxing Districts hereby find and determine that the provisions of clauses (b) and (c) hereof are necessary in order to avoid unduly and unfairly burdening property for which development plans have not yet been finalized by the imposition of multiple property tax levies for the payment of the same indebtedness, in order to effect the intent of this Agreement as to the appropriate allocation of responsibility for payment among the Taxing Districts and the appropriate grouping of property into Residential Taxing Districts by phase, and in order to ensure compliance with the intent of the Service Plan as to the maximum debt service mill levies of the Taxing Districts that shall encumber any particular property.

Section 2.09. Additional Covenants.

(a) Each Taxing District (excluding the Issuing District) covenants that it will not issue or incur bonds, notes, or other obligations payable in whole or in part from, or constituting a lien upon, the general ad valorem taxes of such Taxing District or other Junior Pledged Revenue (including, but not limited to District Subordinate Junior Lien Obligations) without the prior consent of the Issuing District; provided, however, that the following obligations shall be permitted without the consent of the Issuing District:

(i) the Senior Payment Obligation, as provided in the Senior Pledge Agreement;

(ii) the Subordinate Payment Obligation, as provided in the Subordinate Pledge Agreement;

(iii) the Developer Reimbursement Obligations (so long as payable, with respect to ad valorem property taxes of the Taxing Districts, solely from Junior Pledged Revenue available therefor in accordance with the terms hereof);

(iv) any Town Capital and Maintenance Mill Levy Agreement and obligations of a Taxing District thereunder, to the extent pertaining to the imposition of the Town Capital and Maintenance Mill Levy and remittance of the proceeds thereof; and

(v) obligations which do not obligate the Taxing District to impose any tax, fee, or other governmental charge and either: (A) are subject to termination by the Taxing District at least annually; or (B) the repayment of which is contingent upon the Taxing District's annual determination to appropriate moneys therefor (other than obligations of the Taxing District as lessee under leases, except such obligations outstanding from time to time with respect to which the aggregate maximum repayment costs for all terms thereof do not exceed \$500,000);

(vi) obligations issued solely for the purpose of paying operations and maintenance costs of the Taxing Districts (including in accordance with the Master IGA) and either: (A) are subject to termination by the Taxing District at least annually; or (B) the repayment of which is contingent upon the Taxing District's annual determination to appropriate moneys therefor;

(vii) obligations which are payable solely from the proceeds of Additional Obligations, when and if issued;

(viii) obligations payable solely from periodic, recurring service charges (and not Capital Fees) imposed by the Taxing District for the use of any Taxing District facility or service, which obligations do not constitute a debt or indebtedness of the Taxing District or an obligation required to be approved at an election under State law;

(ix) obligations with respect to which the Taxing District has irrevocably committed funds equal to the full amount due or to become due thereunder;

(x) obligations to reimburse any person in respect of surety bonds, financial guaranties, letters of credit, or similar credit enhancements so long as

(A) such surety bonds, financial guaranties, letters of credit, or similar credit enhancements guarantee payment of principal or interest on any obligation permitted to be issued in accordance with the provisions hereof, and (B) the reimbursement obligation does not arise unless payment of an equivalent amount (or more) of principal on the secured obligation has been made, and (C) such reimbursement obligations are payable from the same or fewer revenue sources, with the same or a

subordinate lien priority as the obligations supported by the surety bonds, financial guaranties, letters of credit, or similar credit enhancements; and

(xi) any operating leases, payroll obligations, accounts payable, or taxes incurred or payable in the ordinary course of business of the Taxing District.

(b) The Taxing Districts shall not impose, in accordance with the Master IGA or any other agreement, in any given year, an administrative, operations and maintenance mill levy in excess of the maximum administrative, operations and maintenance mill levy then permitted by the Service Plan, taking into account the Senior Obligation Mill Levy, the Junior Required Mill Levy and any other debt service mill levy then imposed by the Taxing Districts. However, for purposes of clarification, it is acknowledged that the proceeds of any general property tax levy imposed to pay current administrative, operations and maintenance shall not be payable to the Issuing District pursuant to this Agreement (though may be payable to the Issuing District in accordance with the Master IGA), shall not be payable to the Trustee (or other entity designated by the Issuing District) and shall not be subject to the lien of this Agreement.

(c) At least once a year, each Taxing District will either cause an audit to be performed of the records relating to its revenues and expenditures or, if applicable under State statute, will apply for an audit exemption, and each Taxing District shall use its best efforts to have such audit report or application for audit exemption completed no later than September 30 of each calendar year. In addition, at least once a year in the time and manner provided by law, each Taxing District will cause a budget to be prepared and adopted. Copies of the budget and the audit or audit exemption will be filed and recorded in the places, time, and manner provided by law. With respect to the obligations of the Issuing District under this paragraph, in the event of any conflicts between the provisions hereof or the provisions of the 2022C Junior Indenture or any Additional Junior Obligations Documents, the provisions of the 2022C Junior Indenture and any Additional Junior Obligations Documents shall control.

(d) Each Taxing District will enforce the collection of all Capital Fees in such time and manner as the Taxing District reasonably determines will be most efficacious in collecting the same, including without limitation the bringing of an action to foreclose any statutory or contractual lien which may exist in connection therewith.

(e) Each Taxing District (excluding the Issuing District) agrees to provide the Issuing District with information promptly upon request by the Issuing District necessary for the Issuing District to comply on an ongoing basis with the requirements of the Continuing Disclosure Agreement entered into by the Issuing District in connection with the issuance of the 2022C Junior Bonds, and any similar agreement entered into by the Issuing District in connection with the issuance of Additional Junior Obligations.

(f) Each Taxing District will enforce the collection of any PILOT revenues in such time and manner as the Taxing District reasonably determines will be most efficacious in collecting the same, including without limitation the bringing of an action

to foreclose any statutory or contractual lien which may exist in connection therewith. Without limiting the foregoing, each Taxing District agrees that it will not take any of the following actions without the prior written consent of the Issuing District: (i) reduce the amounts constituting Junior PILOT Revenues due to the Issuing District (or to the Trustee on behalf of the Issuing District) under the 2020 PILOT; or (ii) consent to an amendment or supplement of the 2020 PILOT in any way which would materially adversely affect the amount of Junior PILOT Revenues to be paid to or on behalf of the Issuing District hereunder.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.01. Representations and Warranties of the Taxing Districts. Each of the Taxing Districts hereby makes the following representations and warranties with respect to itself:

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

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

(c) The Taxing District is not in violation of any of the applicable provisions of law or any order of any court having jurisdiction in the matter, which violation could reasonably be expected to materially adversely affect the ability of the Taxing District to perform its obligations hereunder. The execution, delivery and performance by the Taxing District of this Agreement (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment, or decree of any court, arbitrator, or governmental authority, (ii) will not violate any provision of any document or agreement constituting, regulating, or otherwise affecting the operations or activities of the Taxing 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 Taxing District pursuant to the provisions of any mortgage, indenture, contract, agreement, or other undertaking to which the Taxing District is a party or which purports to be binding upon the Taxing District or upon any of its revenues or other assets which could reasonably be expected to result in a material adverse effect.

(d) The Taxing District has obtained all consents and approvals of and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by the Taxing District of this Agreement.

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

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

ARTICLE IV

NON-COMPLIANCE AND REMEDIES

Section 4.01. 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, and there shall be no default or Event of Non-Compliance hereunder except as provided in this Section:

(a) Any Taxing District fails or refuses to impose the Junior Required Mill Levy or to remit the Junior Pledged Revenue as required by the terms of this Agreement;

(b) any representation or warranty made by any party in this Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompleteness would have a material adverse effect upon any other party;

(c) any party fails in the performance of any other of its covenants in this Agreement, and such failure continues for 30 days after written notice specifying such default and requiring the same to be remedied is given to any of the parties hereto; or

(d) (i) any party shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or any party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any party any case, proceeding, or other action

of a nature referred to in clause (i) and the same shall remain not dismissed within 90 days following the date of filing; or (iii) there shall be commenced against any party any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within 90 days from the entry thereof; or (iv) any party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, EACH TAXING DISTRICT ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF ANY PORTION OF THE JUNIOR PLEDGED REVENUE TO ANY PURPOSE OTHER THAN DEPOSIT WITH THE TRUSTEE OR AS OTHERWISE DIRECTED BY THE ISSUING DISTRICT IN ACCORDANCE WITH THE PROVISIONS HEREOF CONSTITUTES A VIOLATION OF THE TERMS OF THIS PLEDGE AGREEMENT AND A BREACH OF THE COVENANTS MADE HEREUNDER FOR THE BENEFIT OF THE BONDHOLDERS OF THE 2022C JUNIOR BONDS AND ANY ADDITIONAL JUNIOR OBLIGATIONS, WHICH SHALL ENTITLE THE ISSUING DISTRICT AND THE TRUSTEE TO PURSUE, ON BEHALF OF BONDHOLDERS OF THE 2022C JUNIOR BONDS AND ANY ADDITIONAL JUNIOR OBLIGATIONS, ALL AVAILABLE ACTIONS AGAINST EACH TAXING DISTRICT IN LAW OR IN EQUITY, AS MORE PARTICULARLY PROVIDED IN SECTION 4.02 HEREOF. EACH TAXING DISTRICT FURTHER ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF JUNIOR PLEDGED REVENUE IN VIOLATION OF THE COVENANTS HEREOF WILL RESULT IN IRREPARABLE HARM TO THE BONDHOLDERS OF THE 2022C JUNIOR BONDS AND ANY ADDITIONAL JUNIOR OBLIGATIONS. IN NO EVENT SHALL ANY PROVISION HEREOF BE INTERPRETED TO PERMIT A TAXING DISTRICT TO RETAIN ANY PORTION OF THE JUNIOR PLEDGED REVENUE.

Section 4.02. Remedies For Events of Non-Compliance.

Upon the occurrence and continuance of an Event of Non-Compliance, any party may proceed to protect and enforce its rights against the party or parties 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 specific performance. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

ARTICLE V
MISCELLANEOUS

Section 5.01. Pledge of Revenue.

The creation, perfection, enforcement, and priority of the pledge of Junior Pledged Revenue by each Taxing District to secure or pay the Junior Payment Obligation shall be governed by Section 11-57-208 of the Supplemental Act and this Agreement. The Junior Pledged Revenue shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against any of the Taxing Districts irrespective of whether such persons have notice of such liens.

Section 5.02. No Recourse against Officers and Agents.

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

Section 5.03. Conclusive Recital.

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

Section 5.04. Limitation of Actions.

Pursuant to Section 11-57-212 of the Supplemental Act, 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 30 days after the authorization of this Agreement.

Section 5.05. Notices.

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

If to the Taxing
Districts: Hess Ranch Metropolitan District No. 4, 5, 7 or 8
4100 E. Mississippi Ave., Suite 500
Denver, CO 80246

With a copy to: Spencer Fane LLP
1700 Lincoln, Suite 2000
Denver, Colorado 80203
Attention: Tom George

If to the Issuing
District: Hess Ranch Metropolitan District No. 6
4100 E. Mississippi Ave., Suite 500
Denver, CO 80246

With a copy to: Spencer Fane LLP
1700 Lincoln, Suite 2000
Denver, Colorado 80203
Attention: Tom George

If to the Trustee: UMB Bank, n.a.
Corporate Trust and Escrow
Services 1670 Broadway
Denver, Colorado 80202

All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed received one day after hand delivery or three days after mailing. The Issuing District and any Taxing District by written notice so provided may change the address to which future notices shall be sent.

Section 5.06. Rights of Trustee.

Notwithstanding any other provision herein, at such time as no amounts remain due and owing under the 2020B Subordinate Indenture, all rights of the Trustee hereunder (including, but not limited to, the right to consent to any amendment hereto as a party hereof), shall terminate and be of no force or effect without further action by the parties hereto.

Section 5.07. Miscellaneous.

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

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

(c) The Bondholders and the beneficiaries of any Developer Reimbursement Obligations are third party beneficiaries to this Agreement, and it is intended that there be no other third party beneficiaries of this Agreement. Nothing contained herein, expressed or implied, is intended to give to any person other than the Taxing Districts any claim, remedy, or right under or pursuant hereto, and any agreement, condition, covenant, or term contained herein required to be observed or performed by or on behalf of any party hereto shall be for the sole and exclusive benefit of the other party. Notwithstanding the foregoing, it is acknowledged that the beneficiary of a Developer Reimbursement Obligation has no right to consent to the issuance of Additional Junior Obligations secured by this Agreement on a basis senior to the Developer Reimbursement Obligations.

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

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

(f) This Agreement may be amended or supplemented by the parties, but any such amendment or supplement must be in writing and must be executed by all parties and is subject to the limitations and requirements of the 2022C Junior Indenture; provided, however, that this Agreement may be amended to limit the Junior Required Mill Levy to 50 mills (without adjustment) upon written direction of the Issuing District, and without further consent of the other Taxing Districts, but subject to the limitations of the 2022C Junior Indenture and any Additional Junior Obligation Documents.

(g) If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Agreement, shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city in which the principal office of the Trustee is located are authorized or required by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement.

(h) Each party has participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in

this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

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

(j) Each Taxing District hereby consents to the terms of the 2022C Junior Bonds set forth in the 2022C Junior Indenture.

(k) Each Taxing District has found and determined that the public improvements described in their respective Service Plans, and in Exhibit B hereto, are in the nature of community improvements intended for the general direct or indirect benefit of the existing and planned residential and commercial community within the applicable Taxing District, and constitute improvements for which the applicable Taxing District is authorized to issue indebtedness and impose ad valorem property taxes in accordance with the Election and the Service Plans, and the payment of such costs of the public improvements is in furtherance of the purposes for which the applicable Taxing District was formed. Accordingly, notwithstanding any other provision hereof, such public improvements described in Exhibit B hereto shall constitute “Financed Public Improvements” hereunder without any further findings, determinations, consents, acknowledgements or other action of any of the Taxing Districts.

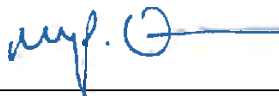
Section 5.08. Effective Date and Termination Date.

This Agreement shall become effective as of the date first written above and shall remain in effect until the Termination Date.

[Signatures appear on following page]

IN WITNESS WHEREOF, the Issuing District, District No. 4, District No. 5, District No. 7, District No. 8 and the Trustee have executed this Agreement as of the day and year first above written.

**HESS RANCH METROPOLITAN
DISTRICT NO. 6**



President

ATTESTED:



Secretary or Assistant Secretary

**HESS RANCH METROPOLITAN
DISTRICT NO. 4**



President

ATTESTED:



Secretary or Assistant Secretary

**HESS RANCH METROPOLITAN
DISTRICT NO. 5**



President

ATTESTED:



Secretary or Assistant Secretary

**HESS RANCH METROPOLITAN
DISTRICT NO. 7**



President

ATTESTED:



Secretary or Assistant Secretary

**HESS RANCH METROPOLITAN
DISTRICT NO. 8**



President

ATTESTED:



Secretary or Assistant Secretary

UMB BANK, P.A.

By: 

Authorized Representative

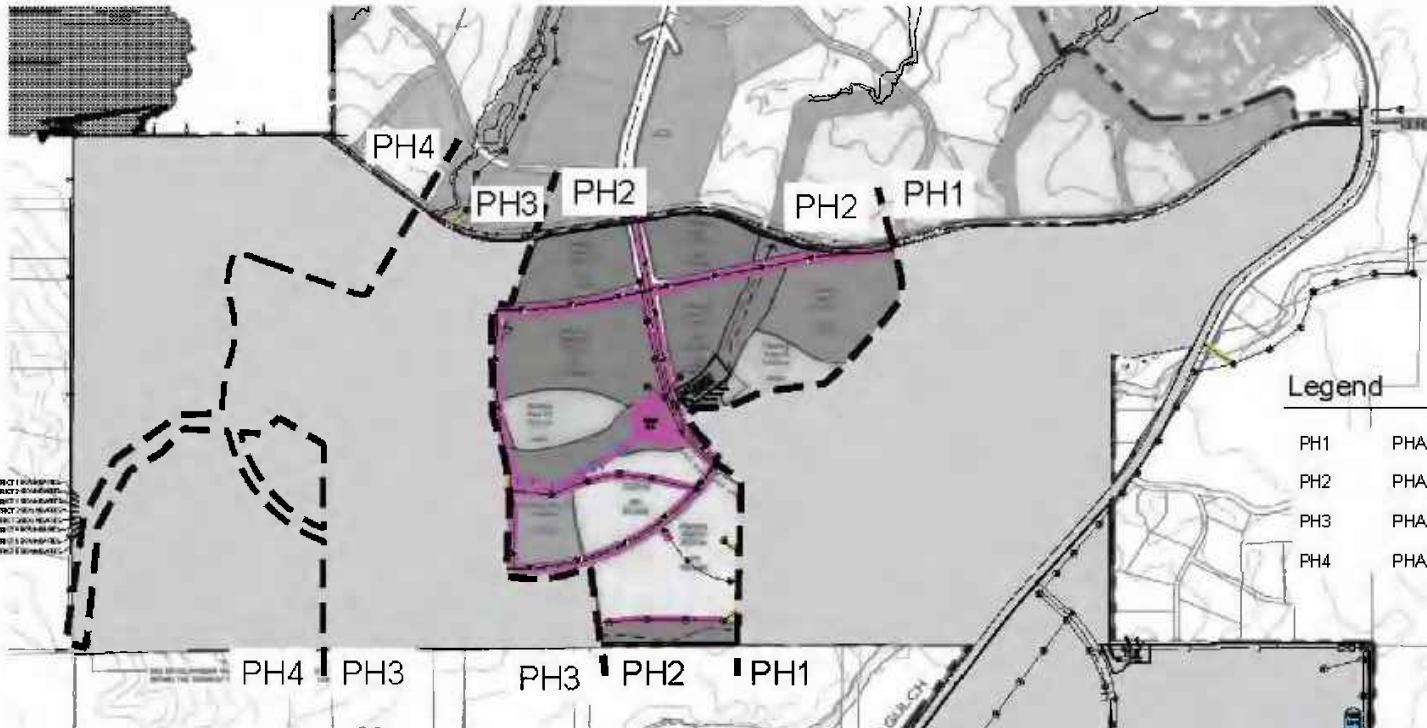
EXHIBIT A
TO
JUNIOR CAPITAL PLEDGE AGREEMENT
BALLOT QUESTIONS

[See Ballot Questions for each Taxing District as included in the closing transcript for
the Bonds]

EXHIBIT B
TO
JUNIOR CAPITAL PLEDGE AGREEMENT
ACKNOWLEDGED FINANCED PUBLIC IMPROVEMENTS

Streets, water, sanitary sewer, drainage, landscaping and trails improvement in the nature of the improvements described as Phases 1 – 4 in the probable costs estimates of EMK Consulting, Inc. dated June 26, 2019, and attached as Exhibit D to the Taxing Districts' Service Plans.

HESS RANCH PLANNED DEVELOPMENT - FIRST AMENDMENT INFRASTRUCTURE PHASING MAP PHASE 2



Legend

PH1	PHASE 1	
PH2	PHASE 2	
PH3	PHASE 3	
PH4	PHASE 4	

WITH COLLECTOR STREET IMPROVEMENTS
WITH COLLECTOR STREET IMPROVEMENTS
WITH COLLECTOR STREET IMPROVEMENTS
WITH COLLECTOR STREET IMPROVEMENTS
WITH COLLECTOR STREET IMPROVEMENTS
WITH COLLECTOR STREET IMPROVEMENTS
WITH COLLECTOR STREET IMPROVEMENTS
WITH COLLECTOR STREET IMPROVEMENTS
WITH COLLECTOR STREET IMPROVEMENTS
WITH COLLECTOR STREET IMPROVEMENTS

PHASE 2 DEVELOPER COST ESTIMATE

Item	Quantity	Unit	Cost
1. Stormwater	53	sq ft	53,000.00
2. Stormwater	100	sq ft	100,000.00
3. Stormwater	150	sq ft	150,000.00
4. Stormwater	200	sq ft	200,000.00
5. Stormwater	250	sq ft	250,000.00
6. Stormwater	300	sq ft	300,000.00
7. Stormwater	350	sq ft	350,000.00
8. Stormwater	400	sq ft	400,000.00
9. Stormwater	450	sq ft	450,000.00
10. Stormwater	500	sq ft	500,000.00
11. Stormwater	550	sq ft	550,000.00
12. Stormwater	600	sq ft	600,000.00
13. Stormwater	650	sq ft	650,000.00
14. Stormwater	700	sq ft	700,000.00
15. Stormwater	750	sq ft	750,000.00
16. Stormwater	800	sq ft	800,000.00
17. Stormwater	850	sq ft	850,000.00
18. Stormwater	900	sq ft	900,000.00
19. Stormwater	950	sq ft	950,000.00
20. Stormwater	1000	sq ft	1,000,000.00
Total Cost			\$9,500,000.00


PHASE 2 DISTRICT COST ESTIMATE

Item	Quantity	Unit	Cost
1. Stormwater	100	sq ft	100,000.00
2. Stormwater	200	sq ft	200,000.00
3. Stormwater	300	sq ft	300,000.00
4. Stormwater	400	sq ft	400,000.00
5. Stormwater	500	sq ft	500,000.00
6. Stormwater	600	sq ft	600,000.00
7. Stormwater	700	sq ft	700,000.00
8. Stormwater	800	sq ft	800,000.00
9. Stormwater	900	sq ft	900,000.00
10. Stormwater	1000	sq ft	1,000,000.00
11. Stormwater	1100	sq ft	1,100,000.00
12. Stormwater	1200	sq ft	1,200,000.00
13. Stormwater	1300	sq ft	1,300,000.00
14. Stormwater	1400	sq ft	1,400,000.00
15. Stormwater	1500	sq ft	1,500,000.00
16. Stormwater	1600	sq ft	1,600,000.00
17. Stormwater	1700	sq ft	1,700,000.00
18. Stormwater	1800	sq ft	1,800,000.00
19. Stormwater	1900	sq ft	1,900,000.00
20. Stormwater	2000	sq ft	2,000,000.00
Total Cost			\$20,000,000.00

*DISTRICT COST ESTIMATE DOES NOT INCLUDE REQUIRED SECURITIES

*Estimated Planning Area costs are based on a per sq ft cost of \$18.25. This cost was derived from an average of current published per sq ft costs for similar projects in the Town of Parker. The cost includes construction at 5% of total cost, averaging 18.7% of total cost. Construction management fees amounting to 1.5% of total cost, and engineering fees for 10% for Design and 10% for Utilities. A does not include permitting, school fees and language.

**The estimated Planning Area cost to develop a per sq ft cost of \$31.85. This cost was derived from current published costs for similar projects in the Town of Parker. This cost includes construction at 5% of total cost, averaging 18.3% of total cost, construction management fees amounting to 1.5% of total cost, and engineering fees for 10% for Design and 10% for Utilities. It does not include permitting, school fees and language.



Manhard CONSULTING

10000 E. Harvard Ave., Suite 100, Denver, CO 80231
 303.755.1100
 www.manhardconsulting.com

HESS RANCH PLANNED DEVELOPMENT - AMENDMENT 1

TOWN OF PARKER, CO

INFRASTRUCTURE PHASING MAP - PHASE 2

DATE: 11/20/2014
 DRAWN BY: JLD
 CHECKED BY: JLD
 SCALE: AS SHOWN
 SHEET NO. **3** OF **5**
 PROJECT NO. 14-0001



June 26, 2019

Mr. Thomas George
Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, Colorado 80203

Re: Hess Ranch Metropolitan Districts 4-8
Engineer's Opinion of Probable Costs Certification

Dear Mr. George;

This letter addresses the infrastructure costs associate with the Looking Glass (Hess Ranch) development. The attached Opinions of Probable Costs were developed based on the engineer's experience, judgment and qualifications utilizing conceptual roadway, drainage, water and sanitary sewer plans prepared for the site. The location, sizing and inclusion of appurtenances were based upon the respective engineering standards for the Town of Parker, Urban Drainage and Flood Control District, and the Parker Water and Sanitation District.

It is my opinion the attached Opinions of Probable Costs are reasonable and are based on the Town of Parker's construction standards as required by the Capital Plan provisions of the Service Plan.

Please contact me at (303) 694-1520 if you have any questions.

Sincerely,
EMK Consultants, Inc.


Eric McDaniel, PE
Project Manager



cc: Lawrence Jacobson, Front Range Communities, LLC
Matthew Osborn, Front Range Communities, LLC
Karen Henry, Henry Design Group, Inc.
CJ Kirst, Tahoe Consulting, LLC

**Looking Glass
Metro District Improvements Estimate
JUNE 2019**

	Phase 1	Phase 2	Phase 3	Phase 4
STREETS	\$ 23,732,213.45	\$ 25,244,407.44	\$ 26,397,220.65	\$ 4,121,147.51
STORM SEWER/DRAINAGE	\$ 20,915,807.02	\$ 12,215,055.75	\$ 18,080,184.83	\$ 979,734.25
SANITARY SEWER	\$ 4,429,370.26	\$ 3,409,617.98	\$ 5,335,758.81	\$ 862,430.36
WATER	\$ 6,047,113.90	\$ 4,015,493.46	\$ 5,195,611.03	\$ 968,395.61
LANDSCAPING & RECREATION	\$ 14,263,470.00	\$ 21,494,653.00	\$ 14,248,964.00	\$ 8,778,247.00
GRAND TOTAL	\$ 69,387,974.63	\$ 66,379,227.63	\$ 69,257,739.31	\$ 15,709,954.73

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Looking Glass - Metro District Improvements

Phase 1 June 2019

Chambers Road (Arterial 170' ROW) 1/2-Build (from Spirit Tl. Blvd. south to Crow Foot Valley Road)
 Stroh Road (Arterial 120' ROW) 50% Build (from Spirit Tl. Blvd. west to Crow Foot Valley Road)
 Spirit Tl. Blvd. Collector (70' ROW) 100% Build (from Chambers Rd. north to Stroh Road)

I. STREET IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
South Chambers Road (100% graded + west-half finished)				
12" Class 6 Under Curb and 0.5' Beyond	1,682	SY	\$15.00	\$ 25,223.33
6" Vertical C&G w/ 1' Pan (Median) w/ Subgrade Prep	2,512	LF	\$17.50	\$ 43,960.00
Median Trench Drain System	2,512	LF	\$30.00	\$ 75,360.00
Splash Block	2,512	LF	\$35.00	\$ 87,920.00
6" Vertical C&G w/ 2' Pan W/ Subgrade Prep	3,370	LF	\$20.50	\$ 69,085.00
8' Detached Walk w/ Subgrade Prep	2,735	LF	\$50.00	\$ 136,750.00
30' Curb Return w/ Ramp	4	EA	\$6,000.00	\$ 24,000.00
Subgrade Prep.	20,034	SY	\$2.50	\$ 50,085.00
Fine Grade	20,034	SY	\$1.10	\$ 22,037.40
12" Class 6	20,034	SY	\$13.10	\$ 262,445.40
9" HMA	20,034	SY	\$39.10	\$ 783,329.40
Adjust Manhole	18	EA	\$700.00	\$ 12,600.00
Adjust Valve Box	4	EA	\$250.00	\$ 1,000.00
Stop sign with Street Identification	1	EA	\$500.00	\$ 500.00
Street Identification Sign	1	EA	\$200.00	\$ 200.00
Right Lane Must Turn Right Sign	2	EA	\$300.00	\$ 600.00
Speed Limit Sign	5	EA	\$350.00	\$ 1,750.00
Street Light	25	EA	\$3,500.00	\$ 87,500.00
Road Closed With Future Street Sign & Type III Barricade	9	EA	\$500.00	\$ 4,500.00
Striping & Pavement Markings	1	LS	\$18,500.00	\$ 18,500.00
Lemon Gulch Bridge	1	LS	\$1,500,000.00	\$ 1,500,000.00
Crow Foot Valley Road Traffic Signal	0.5	LS	\$350,000.00	\$ 175,000.00
Crowfoot Valley Road				
6" Class 6 Under Curb and 0.5' Beyond	99	SY	\$10.00	\$ 990.00
6" Vertical C&G w/ 2' Pan W/ Subgrade Prep	297	LF	\$30.50	\$ 9,058.50
30' Curb Return w/ Ramp	1	EA	\$6,000.00	\$ 6,000.00
51' Curb Return w/ Ramp	1	EA	\$8,000.00	\$ 8,000.00
Subgrade Prep.	3,640	SY	\$2.50	\$ 9,100.00
Fine Grade	3,640	SY	\$1.10	\$ 4,004.00
6" Class 6	3,640	SY	\$7.50	\$ 27,300.00
7" PCCP	3,640	SY	\$80.00	\$ 291,200.00
Replace existing 7" PCCP at the Stroh intersection for storm and san. sewer	800	SY	\$87.00	\$ 69,600.00
Street Identification Sign	1	EA	\$200.00	\$ 200.00
Right Lane Must Turn Right Sign	4	EA	\$300.00	\$ 1,200.00
Speed Limit Sign	2	EA	\$350.00	\$ 700.00
Striping & Pavement Markings	1	LS	\$22,000.00	\$ 22,000.00
Traffic Control	1	LS	\$38,500.00	\$ 38,500.00
Spirit Trail Blvd (100% graded + 100% finished)				
6" Class 6 Under Curb and 0.5' Beyond	3,148	SY	\$10.00	\$ 31,477.78
6" Vertical C&G w/ 1' Pan (Median) w/ Subgrade Prep	4,232	LF	\$17.50	\$ 74,060.00
Median Trench Drain System	4,232	LF	\$30.00	\$ 126,960.00
Splash Block	4,232	LF	\$35.00	\$ 148,120.00
6" Vertical C&G w/ 2' Pan W/ Subgrade Prep	6,622	LF	\$20.50	\$ 135,751.00

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Looking Glass - Metro District Improvements

Phase 1
June 2019

Page 2 of 4

5' Detached Walk w/ Subgrade Prep	5,897	LF	\$27.00	\$ 159,219.00
Midblock Ramp	3	EA	\$3,300.00	\$ 9,900.00
30' Curb Return w/ Ramp	9	EA	\$6,000.00	\$ 54,000.00
Subgrade Prep.	17,673	SY	\$2.50	\$ 44,182.50
Fine Grade	17,673	SY	\$1.10	\$ 19,440.30
6" Class 6	17,673	SY	\$7.50	\$ 132,547.50
8" HMA	17,673	SY	\$34.75	\$ 614,136.75
Adjust Manhole	9	EA	\$700.00	\$ 6,300.00
Adjust Valve Box	12	EA	\$250.00	\$ 3,000.00
Stop sign with Street Identification	2	EA	\$500.00	\$ 1,000.00
Speed Limit Sign	7	EA	\$200.00	\$ 1,400.00
Bike Lane Sign	17	EA	\$350.00	\$ 5,950.00
Street Light	21	EA	\$3,500.00	\$ 73,500.00
Road Closed With Future Street Sign & Type III Barricade	13	EA	\$500.00	\$ 6,500.00
Striping & Pavement Markings	1	LS	\$18,500.00	\$ 18,500.00
Lemon Gulch Tributary Bridge	1	LS	\$1,400,000.00	\$ 1,400,000.00
Stroh Road (100% graded + south-half finished)				
6" Class 6 Under Curb and 0.5' Beyond	2,150	SY	\$10.00	\$ 21,502.22
6" Vertical C&G w/ 1' Pan (Median) w/ Subgrade Prep	2,863	LF	\$17.50	\$ 50,102.50
Median Trench Drain System	2,863	LF	\$30.00	\$ 85,890.00
Splash Block	2,863	LF	\$35.00	\$ 100,205.00
6" Vertical C&G w/ 2' Pan W/ Subgrade Prep	4,542	LF	\$20.50	\$ 93,111.00
8' Detached Walk w/ Subgrade Prep	3,448	LF	\$50.00	\$ 172,400.00
10' Detached Walk w/ Subgrade Prep	878	LF	\$62.00	\$ 54,436.00
30' Curb Return w/ Ramp	7	EA	\$6,000.00	\$ 42,000.00
Subgrade Prep.	19,995	SY	\$2.50	\$ 49,987.50
Fine Grade	19,995	SY	\$1.10	\$ 21,994.50
6" Class 6	19,995	SY	\$7.50	\$ 149,962.50
8" HMA	19,995	SY	\$34.75	\$ 694,826.25
Adjust Manhole	2	EA	\$700.00	\$ 1,400.00
Adjust Valve Box	14	EA	\$250.00	\$ 3,500.00
Stop sign with Street Identification	1	EA	\$500.00	\$ 500.00
Street Identification Sign	1	EA	\$200.00	\$ 200.00
Speed Limit Sign	8	EA	\$400.00	\$ 3,200.00
Street Light	34	EA	\$3,500.00	\$ 119,000.00
Road Closed With Future Street Sign & Type III Barricade	11	EA	\$500.00	\$ 5,500.00
Striping & Pavement Markings	1	LS	\$34,000.00	\$ 34,000.00
Crow Foot Valley Rd. Traffic Signal	0.5	LS	\$350,000.00	\$ 175,000.00
Red Elder Traffic Signal	0.5	LS	\$350,000.00	\$ 175,000.00
Spirit Trail Blvd. Traffic Signal	0.5	LS	\$350,000.00	\$ 175,000.00
Street Improvements Subtotal				\$ 9,164,860.33
10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing				\$ 2,749,458.10
Street Improvements Total				\$ 11,914,318.43

II. STORM SEWER / DRAINAGE IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
18" Class III RCP	1,685	LF	\$63.00	\$ 106,155.00
24" Class III RCP	1,722	LF	\$83.50	\$ 143,787.00
30" Class III RCP	866	LF	\$173.50	\$ 150,251.00
36" Class III RCP	1,384	LF	\$141.00	\$ 195,144.00
4' Manhole	7	EA	\$3,400.00	\$ 23,800.00
5' Manhole	9	EA	\$4,300.00	\$ 38,700.00
6' Manhole	7	EA	\$4,800.00	\$ 33,600.00
10' Type R Inlet	12	EA	\$8,500.00	\$ 102,000.00
15' Type R Inlet	5	EA	\$10,200.00	\$ 51,000.00

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Looking Glass - Metro District Improvements

Phase 1
June 2019

Page 3 of 4

Type C Inlet	3	EA	\$5,000.00	\$ 15,000.00
Type D Inlet	6	EA	\$11,500.00	\$ 69,000.00
36" F.E.S. w. Conc. Cutoff Wall	4	EA	\$7,200.00	\$ 28,800.00
30" F.E.S. w. Conc. Cutoff Wall	1	EA	\$6,200.00	\$ 6,200.00
24" F.E.S. w. Conc. Cutoff Wall	5	EA	\$5,500.00	\$ 27,500.00
18" F.E.S. w. Conc. Cutoff Wall	4	EA	\$4,500.00	\$ 18,000.00
36" Plug	2	EA	\$500.00	\$ 1,000.00
Pond 1 (Access Road, Forebay, Trickle Channel, Outlet Structure)	1	LS	\$160,000.00	\$ 160,000.00
Pond 6 (Access Road, Underdrain, Forebay, Trickle Channel, Outlet)	1	LS	\$235,000.00	\$ 235,000.00
Pond 8 (Access Road, Underdrain, Forebay, Trickle Channel, Outlet)	1	LS	\$199,800.00	\$ 199,800.00
Temp. Sediment Basin Pond #2 - Sch. 40 12" Diam. 4.5' T x 62' L Riser Pipe with 1.5" Crushed Rock	1	EA	\$8,000.00	\$ 8,000.00
Temp. Sediment Basin Pond #3 - Sch. 40 12" Diam. 6.0' T x 96' L Riser Pipe with 1.5" Crushed Rock	1	EA	\$8,000.00	\$ 8,000.00
Temp. Sediment Basin Pond #4 - Sch. 40 6" Diam. 6.0' T x 106' L Riser Pipe with 1.5" Crushed Rock	1	EA	\$8,000.00	\$ 8,000.00
Temp. Sediment Basin Pond #7 - Sch. 40 6" Diam. 6.0' T x 152' L Riser Pipe with 1.5" Crushed Rock	1	EA	\$8,000.00	\$ 8,000.00
Modifications to Regional Pond at Chambers & Crow Foot Valley Road	1	LS	\$50,000.00	\$ 50,000.00
Traffic Control	1	LS	\$16,500.00	\$ 16,500.00
Lemon Gulch Improvements	3,200	LF	\$2,000.00	\$ 6,400,000.00
Lemon Gulch Tributary Improvements	2400	LF	\$ 2,000.00	\$ 4,800,000.00
Full Spectrum Detention	4	EA	\$ 150,000.00	\$ 600,000.00
Storm Sewer Improvements Subtotal				\$ 13,503,237.00
10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing				\$ 4,050,971.10
Storm Sewer Improvements Total				\$ 17,554,208.10

III. SANITARY SEWER IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
8" SDR 35 Sanitary Sewer	3,476	LF	\$67.21	\$ 233,621.96
12" SDR 35 Sanitary Sewer	1,984	LF	\$173.45	\$ 344,124.80
4' Manhole	20	EA	\$4,820.00	\$ 96,400.00
8" Plug	5	EA	\$152.00	\$ 760.00
Remove 12" Plug & Connect to Existing	1	EA	\$3,080.00	\$ 3,080.00
Connect to existing sanitary sewer manhole	1	EA	\$5,050.00	\$ 5,050.00
22" Steel Casing Pipe with 6" Reinforced Concrete Encasement	272	LF	\$227.70	\$ 61,934.40
Traffic Control	1	EA	\$32,300.00	\$ 32,300.00
Reimbursement - Lemon Gulch Interceptor Improvements	0.33	LS	\$ 1,092,820.99	\$ 360,630.93
Sanitary Sewer Improvements Subtotal				\$ 1,137,902.09
10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing				\$ 341,370.63
Sanitary Sewer Improvements Tubtotal				\$ 1,479,272.71

IV. WATER IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
RAW WATER SYSTEM				
8" PVC Water Line	3,690	LF	\$45.53	\$ 168,005.70
8" Gate Valve	3	EA	\$2,000.00	\$ 6,000.00
Tracer Wire Box	5	EA	\$239.00	\$ 1,195.00
8" Bend	8	EA	\$542.00	\$ 4,336.00
8" Plug w/ 2" B.O. Assy.	2	EA	\$3,000.00	\$ 6,000.00
8" Low Pt. B.O. Assy.	1	EA	\$6,200.00	\$ 6,200.00
8" ARV	1	EA	\$7,000.00	\$ 7,000.00
WATER SYSTEM				
8" PVC Water Line	5,467	LF	\$44.45	\$ 243,008.15
8" Gate Valve	22	EA	\$1,950.00	\$ 42,900.00
8" Bend	9	EA	\$530.00	\$ 4,770.00
8" Plug w/ 2" B.O. Assy.	8	EA	\$3,000.00	\$ 24,000.00

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Looking Glass - Metro District Improvements

Phase 1
June 2019

Page 4 of 4

8" Cross	1	EA	\$750.00	\$ 750.00
8" Tee	5	EA	\$500.00	\$ 2,500.00
18" Steel Casing Pipe with 8" Reinforced Concrete Encasement	165	LF	\$196.00	\$ 32,340.00
22" Steel Casing Pipe with 8" Reinforced Concrete Encasement	134	LF	\$228.00	\$ 30,552.00
12" PVC Water Line	3,539	LF	\$66.15	\$ 234,104.85
12" ARV	2	EA	\$7,200.00	\$ 14,400.00
12" PRV	1	EA	\$55,000.00	\$ 55,000.00
12" Gate Valve	13	EA	\$3,750.00	\$ 48,750.00
12" Bend	16	EA	\$933.00	\$ 14,928.00
12" Plug w/ 2" B.O. Assy.	2	EA	\$3,000.00	\$ 6,000.00
12" Low Pt. B.O. Assy.	2	EA	\$3,900.00	\$ 7,800.00
Fire Hydrant Assembly	32	EA	\$7,900.00	\$ 252,800.00
12"x8" Tee	3	EA	\$1,180.00	\$ 3,540.00
12" Tee	1	EA	\$1,380.00	\$ 1,380.00
30"x12" Tee	1	EA	\$70,500.00	\$ 70,500.00
16" D.I.P. Water Line	3,642	LF	\$98.65	\$ 359,283.30
16" ARV	2	EA	\$8,400.00	\$ 16,800.00
16" Butterfly Valve	16	EA	\$6,700.00	\$ 107,200.00
16" Bend	6	EA	\$2,000.00	\$ 12,000.00
16"x8" Tee	3	EA	\$2,000.00	\$ 6,000.00
16"x12" Cross	1	EA	\$3,000.00	\$ 3,000.00
16" Plug w/ 2" B.O. Assy.	1	EA	\$3,500.00	\$ 3,500.00
16" Low Pt. B.O. Assy.	1	EA	\$6,200.00	\$ 6,200.00
Remove 16" Plug & Connect to Existing	1	EA	\$6,250.00	\$ 6,250.00
28" Steel Casing Pipe with 8" Reinforced Concrete Encasement	155	LF	\$336.00	\$ 52,080.00
Traffic Control	1	EA	\$3,500.00	\$ 3,500.00
Reimbursement - Crowfoot Valley Rd. Water Improvements	0.33	LS	\$2,076,456.96	\$ 685,230.80
Water Improvements Subtotal				\$ 2,549,803.80
10% Contingency + 5% Mobilization + 3% Surveying + 12% Const. Manage. & Testing				\$ 764,941.14
Water Improvements Total				\$ 3,314,744.94

V. EROSION CONTROL IMPROVEMENTS - PART OF STREETS				
Item	Quantity	Unit	Unit Cost	Total Cost
Strippings	3,399	CY	\$ 1.70	\$ 5,778.56
Earthwork Cut/Fill	180000	CY	\$ 3.00	\$ 540,000.00
Erosion Control (Roadway)	12000	LF	\$ 18.00	\$ 216,000.00
Stripping Replacement	3,399	CY	\$ 1.70	\$ 5,778.56
Erosion Control Improvements Subtotal				\$ 767,557.11
10% Contingency + 5% Mobilization + 3% Surveying + 12% Const. Manage. & Testing				\$ 230,267.13
Erosion Control Improvements Subtotal				\$ 997,824.24
VI. ELECTRIC FEEDER IMPROVEMENTS - NOT INCLUDED IN METRO DISTRICT ESTIMATE				
Item	Quantity	Unit	Unit Cost	Total Cost
Underground Existing Overhead Feeder Line	5200	LF	\$ 100.00	\$ 520,000.00
Feeder Underground	16800	LF	\$ 80.00	\$ 1,344,000.00
Electric Feeder Improvements				\$ 1,864,000.00

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Looking Glass - Metro District Improvements
Phase 2
June 2019

Chambers Road (Arterial 170' ROW) 1/2-Build (from Spirit Tl. Blvd. north to north project boundary)
Stroh Road (Arterial 120'ROW) 100% Build (from Spirit Tl. Blvd. west to Chambers Rd.)
Stroh Road (Collector 70'ROW) 100% Build (from Chambers Rd. west to north/south collector)
North/South Collector (70' ROW) 100% Build (from Stroh Rd. to Spirit Tl. Blvd.)
Spirit Tl. Blvd. Collector (70' ROW) 100% Build (from Chambers Rd. west to new north/south collector)

I. STREET IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
6" Class 6 Under Curb and 0.5' Beyond	8,160	SY	\$10.00	\$ 81,600.00
6" Vertical C&G w/ 1' Pan (Median) w/ Subgrade Prep	18,360	LF	\$17.50	\$ 321,300.00
Median Trench Drain System	36,720	LF	\$30.00	\$ 1,101,600.00
Splash Block	18,360	LF	\$35.00	\$ 642,600.00
6" Vertical C&G w/ 2' Pan W/ Subgrade Prep	18,360	LF	\$20.50	\$ 376,380.00
5' Detached Walk w/ Subgrade Prep	13,360	LF	\$27.00	\$ 360,720.00
8' Detached Walk w/ Subgrade Prep	5,000	LF	\$50.00	\$ 250,000.00
Midblock Ramp	24	EA	\$3,300.00	\$ 79,200.00
30' Curb Return w/ Ramp	8	EA	\$6,000.00	\$ 48,000.00
Subgrade Prep.	85,200	SY	\$2.50	\$ 213,000.00
Fine Grade	85,200	SY	\$1.10	\$ 93,720.00
6" Class 6	85,200	SY	\$7.50	\$ 639,000.00
8" HMA	85,200	SY	\$34.75	\$ 2,960,700.00
Adjust Manhole	28	EA	\$700.00	\$ 19,600.00
Adjust Valve Box	48	EA	\$250.00	\$ 12,000.00
Stop sign with Street Identification	5	EA	\$500.00	\$ 2,500.00
Speed Limit Sign	7	EA	\$200.00	\$ 1,400.00
Bike Lane Sign	17	EA	\$350.00	\$ 5,950.00
Street Light	42	EA	\$3,500.00	\$ 147,000.00
Road Closed With Future Street Sign & Type III Barricade	6	EA	\$500.00	\$ 3,000.00
Striping & Pavement Markings	18,360	LF	\$1.00	\$ 18,360.00
Chambers & Spirit Trail Blvd. Traffic Signal	1	EA	\$350,000.00	\$ 350,000.00
Chambers & Stroh Rd. Traffic Signal	1	EA	\$350,000.00	\$ 350,000.00
Stroh Road - Pedestrian Trail Underpass	1	EA	\$500,000.00	\$ 500,000.00
Chambers Road - Lemon Gulch Tributary Bridge	1	EA	\$1,500,000.00	\$ 1,500,000.00
N/S Collector - Lemon Gulch Tributary Bridge	1	EA	\$1,400,000.00	\$ 1,400,000.00
			Street Improvements Subtotal	\$ 11,477,630.00
			10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing	\$ 3,443,289.00
			Street Improvements Total	\$ 14,920,919.00

II. STORM SEWER / DRAINAGE IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
10-ft Type R Inlet	20	Each	\$ 8,500.00	\$ 170,194.29
24-in RCP (Average Size)	7008	LF	\$ 84.00	\$ 588,672.00
5-ft Manhole	10	Each	\$ 6,400.00	\$ 64,073.14
Lemon Gulch Tributary Improvements	2800	LF	\$ 2,000.00	\$ 5,600,000.00
Full Spectrum Detention Ponds	5	Each	\$ 150,000.00	\$ 750,000.00
			Storm Sewer Improvements Subtotal	\$ 7,172,939.43
			10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing	\$ 2,151,881.83
			Storm Sewer Improvements Total	\$ 9,324,821.26

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Looking Glass - Metro District Improvements
Phase 2
June 2019

III. SANITARY SEWER IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
8-in PVC Pipe (8-ft/14-ft)	3440	LF	\$ 67.00	\$ 230,480.00
12-in PVC Pipe (8-ft/14-ft)	2600	LF	\$ 90.00	\$ 234,000.00
4-ft Manhole (14-ft/18-ft)	18	Each	\$ 4,800.00	\$ 86,400.00
Trench Stabilization	6040	LF	\$ 20.00	\$ 120,800.00
Sanitary Sewer Improvements Subtotal				\$ 671,680.00
10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing				\$ 201,504.00
Sanitary Sewer Improvements Tubtotal				\$ 873,184.00

IV. WATER IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
8" PVC Water Line	2,640	LF	\$44.45	\$ 117,348.00
8" Gate Valve	20	EA	\$1,950.00	\$ 39,546.00
8" Bend	9	EA	\$530.00	\$ 4,770.00
8" Plug w/ 2" B.O. Assy.	2	EA	\$3,000.00	\$ 6,000.00
8" Cross	5	EA	\$750.00	\$ 3,750.00
8" Tee	5	EA	\$500.00	\$ 2,500.00
18" Steel Casing Pipe with 8" Reinforced Concrete Encasement	165	LF	\$196.00	\$ 32,340.00
22" Steel Casing Pipe with 8" Reinforced Concrete Encasement	134	LF	\$228.00	\$ 30,552.00
12" PVC Water Line	6,440	LF	\$66.15	\$ 426,006.00
12" ARV	2	EA	\$7,200.00	\$ 14,400.00
12" PRV	1	EA	\$55,000.00	\$ 55,000.00
12" Gate Valve	19	EA	\$3,750.00	\$ 70,800.00
12" Bend	5	EA	\$933.00	\$ 4,665.00
12" Plug w/ 2" B.O. Assy.	1	EA	\$3,000.00	\$ 3,000.00
12" Low Pt. B.O. Assy.	1	EA	\$3,900.00	\$ 3,900.00
Fire Hydrant Assembly	15	EA	\$7,900.00	\$ 115,340.00
12"x8" Tee	2	EA	\$1,180.00	\$ 2,360.00
12" Tee	1	EA	\$1,380.00	\$ 1,380.00
16" D.I.P. Water Line	2,600	LF	\$98.65	\$ 256,490.00
16" ARV	2	EA	\$8,400.00	\$ 16,800.00
16" Butterfly Valve	5	EA	\$6,700.00	\$ 34,840.00
16" Bend	6	EA	\$2,000.00	\$ 12,000.00
16"x8" Tee	3	EA	\$2,000.00	\$ 6,000.00
16"x12" Cross	2	EA	\$3,000.00	\$ 6,000.00
16" Plug w/ 2" B.O. Assy.	1	EA	\$3,500.00	\$ 3,500.00
16" Low Pt. B.O. Assy.	1	EA	\$6,200.00	\$ 6,200.00
Remove 16" Plug & Connect to Existing	1	EA	\$6,250.00	\$ 6,250.00
Water Improvements Subtotal				\$ 1,281,737.00
10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing				\$ 384,521.10
Water Improvements Total				\$ 1,666,258.10

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Looking Glass - Metro District Improvements
Phase 2
June 2019

V. EROSION CONTROL IMPROVEMENTS - PART OF STREETS				
Item	Quantity	Unit	Unit Cost	Total Cost
Strippings	14,484	CY	\$ 1.70	\$ 24,622.80
Earthwork Cut/Fill	175200	CY	\$ 3.00	\$ 525,600.00
Erosion Control (Roadway)	11680	LF	\$ 18.00	\$ 210,240.00
Stripping Replacement	14,484	CY	\$ 1.70	\$ 24,622.80
			Erosion Control Improvements Subtotal	\$ 785,085.60
			10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing	\$ 235,525.68
			Erosion Control Improvements Subtotal	\$ 1,020,611.28

VI. ELECTRIC FEEDER IMPROVEMENTS - NOT INCLUDED IN METRO DISTRICT ESTIMATE				
Item	Quantity	Unit	Unit Cost	Total Cost
Underground Existing Overhead Feeder Line	3800	LF	\$ 100.00	\$ 380,000.00
Feeder Underground	12600	LF	\$ 80.00	\$ 1,008,000.00
			Electric Feeder Improvements	\$ 1,388,000.00
VII. CLUBHOUSE - INCLUDED IN LANDSCAPING SUMMARY				
Item	Quantity	Unit	Unit Cost	Total Cost
Clubhouse - Pool Amenity	1	LS	\$ 7,500,000.00	\$ 7,500,000.00
			Clubhouse - Pool Amenity Improvements	\$ 7,500,000.00

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Looking Glass - Metro District Improvements
Phase 3
June 2019

Stroh Road (Collector 70'ROW) 100% Build (from north/south collector west to Spirit Tl. Blvd)
Spirit Tl. Blvd. Collector (70' ROW) 100% Build (from north/south collector west and north to Stroh Road)

I. STREET IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
6" Class 6 Under Curb and 0.5' Beyond	7,004	SY	\$10.00	\$ 70,044.44
6" Vertical C&G w/ 1' Pan (Median) w/ Subgrade Prep	15,760	LF	\$17.50	\$ 275,800.00
Median Trench Drain System	31,520	LF	\$30.00	\$ 945,600.00
Splash Block	15,760	LF	\$35.00	\$ 551,600.00
6" Vertical C&G w/ 2' Pan W/ Subgrade Prep	15,760	LF	\$20.50	\$ 323,080.00
5' Detached Walk w/ Subgrade Prep	7,880	LF	\$27.00	\$ 212,760.00
8' Detached Walk w/ Subgrade Prep	7,880	LF	\$50.00	\$ 394,000.00
Midblock Ramp	4	EA	\$3,300.00	\$ 13,200.00
30' Curb Return w/ Ramp	40	EA	\$6,000.00	\$ 240,000.00
Subgrade Prep.	39,400	SY	\$2.50	\$ 98,500.00
Fine Grade	39,400	SY	\$1.10	\$ 43,340.00
6" Class 6	39,400	SY	\$7.50	\$ 295,500.00
8" HMA	39,400	SY	\$34.75	\$ 1,369,150.00
Adjust Manhole	22	EA	\$700.00	\$ 15,400.00
Adjust Valve Box	46	EA	\$250.00	\$ 11,500.00
Stop sign with Street Identification	10	EA	\$500.00	\$ 5,000.00
Speed Limit Sign	7	EA	\$200.00	\$ 1,400.00
Bike Lane Sign	17	EA	\$350.00	\$ 5,950.00
Street Light	62	EA	\$3,500.00	\$ 217,000.00
Road Closed With Future Street Sign & Type III Barricade	-	EA	\$500.00	\$ -
Striping & Pavement Markings	7,880	LF	\$1.00	\$ 7,880.00
Traffic Signal	2	EA	\$275,000.00	\$ 550,000.00
Stroh Road - Pedestrian Trail Underpass	1	EA	\$500,000.00	\$ 500,000.00
N/S Collector - Lemon Gulch Tributary Bridge	1	EA	\$1,400,000.00	\$ 1,400,000.00
			Street Improvements Subtotal	\$ 7,546,704.44
			10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing	\$ 2,264,011.33
			Street Improvements Total	\$ 9,810,715.78

II. STORM SEWER DRAINAGE IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
10-ft Type R Inlet	14	Each	\$ 8,500.00	\$ 114,822.86
24-in RCP (Average Size)	4728	LF	\$ 84.00	\$ 397,152.00
5-ft Manhole	7	Each	\$ 6,400.00	\$ 43,227.43
Lemon Gulch Tributary Improvements	1600	LF	\$ 2,000.00	\$ 3,200,000.00
Oak Gulch Improvements	2800	LF	\$ 2,000.00	\$ 5,600,000.00
Full Spectrum Detention Ponds	5	Each	\$ 150,000.00	\$ 750,000.00
			Storm Sewer Improvements Subtotal	\$ 10,105,202.29
			10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing	\$ 3,031,560.69
			Storm Sewer Improvements Total	\$ 13,136,762.97

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Looking Glass - Metro District Improvements
Phase 3
June 2019

III. SANITARY SEWER IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
8-in PVC Pipe (8-ft/14-ft)	5250	LF	\$ 67.00	\$ 351,750.00
12-in PVC Pipe (8-ft/14-ft)	0	LF	\$ 90.00	\$ -
4-ft Manhole (14-ft/18-ft)	15	Each	\$ 4,800.00	\$ 72,000.00
Trench Stabilization	5250	LF	\$ 20.00	\$ 105,000.00
Reimbursement - Canyons Offsite Gravity Main	0.5	LS	\$ 477,073.92	\$ 238,536.96
Sanitary Sewer Improvements Subtotal				\$ 767,286.96
10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing				\$ 230,186.09
Sanitary Sewer Improvements Tubtotal				\$ 997,473.05

IV. WATER IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
8" PVC Water Line	-	LF	\$44.45	\$ -
8" Gate Valve	-	EA	\$1,950.00	\$ -
8" Bend	-	EA	\$530.00	\$ -
8" Plug w/ 2" B.O. Assy.	-	EA	\$3,000.00	\$ -
8" Cross	-	EA	\$750.00	\$ -
8" Tee	-	EA	\$500.00	\$ -
18" Steel Casing Pipe with 8" Reinforced Concrete Encasement	-	LF	\$196.00	\$ -
22" Steel Casing Pipe with 8" Reinforced Concrete Encasement	-	LF	\$228.00	\$ -
12" PVC Water Line	8,000	LF	\$66.15	\$ 529,200.00
12" ARV	5	EA	\$7,200.00	\$ 36,000.00
12" PRV	1	EA	\$55,000.00	\$ 55,000.00
12" Gate Valve	46	EA	\$3,750.00	\$ 172,500.00
12" Bend	15	EA	\$933.00	\$ 13,995.00
12" Plug w/ 2" B.O. Assy.	1	EA	\$3,000.00	\$ 3,000.00
12" Low Pt. B.O. Assy.	1	EA	\$3,900.00	\$ 3,900.00
Fire Hydrant Assembly	10	EA	\$7,900.00	\$ 79,000.00
12"x8" Tee	10	EA	\$1,180.00	\$ 11,800.00
12" Tee	1	EA	\$1,380.00	\$ 1,380.00
16" D.I.P. Water Line	-	LF	\$98.65	\$ -
16" ARV	-	EA	\$8,400.00	\$ -
16" Butterfly Valve	-	EA	\$6,700.00	\$ -
16" Bend	-	EA	\$2,000.00	\$ -
16"x8" Tee	-	EA	\$2,000.00	\$ -
16"x12" Cross	-	EA	\$3,000.00	\$ -
16" Plug w/ 2" B.O. Assy.	-	EA	\$3,500.00	\$ -
16" Low Pt. B.O. Assy.	-	EA	\$6,200.00	\$ -
Remove 16" Plug & Connect to Existing	-	EA	\$6,250.00	\$ -
Water Improvements Subtotal				\$ 905,775.00
10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing				\$ 271,732.50
Water Improvements Total				\$ 1,177,507.50

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Looking Glass - Metro District Improvements
Phase 3
June 2019

V. EROSION CONTROL IMPROVEMENTS - PART OF STREETS				
Item	Quantity	Unit	Unit Cost	Total Cost
Strippings	6,698	CY	\$ 1.70	\$ 11,386.60
Earthwork Cut/Fill	118200	CY	\$ 3.00	\$ 354,600.00
Erosion Control (Roadway)	7880	LF	\$ 18.00	\$ 141,840.00
Stripping Replacement	6,698	CY	\$ 1.70	\$ 11,386.60
Erosion Control Improvements Subtotal				\$ 519,213.20
10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing				\$ 155,763.96
Erosion Control Improvements Subtotal				\$ 674,977.16

VI. ELECTRIC FEEDER IMPROVEMENTS - NOT INCLUDED IN METRO DISTRICT ESTIMATE				
Item	Quantity	Unit	Unit Cost	Total Cost
Underground Existing Overhead Feeder Line	2800	LF	\$ 100.00	\$ 280,000.00
Feeder Underground	0	LF	\$ 80.00	\$ -
Electric Feeder Improvements				\$ 280,000.00

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Looking Glass - Metro District Improvements
Phase 4
June 2019

Spirit Tl. Blvd. Collector (70' ROW) 100% Build (from Stroh Road to north property limits)

I. STREET IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
6" Class 6 Under Curb and 0.5' Beyond	1,422	SY	\$10.00	\$ 14,222.22
6" Vertical C&G w/ 1' Pan (Median) w/ Subgrade Prep	3,200	LF	\$17.50	\$ 56,000.00
Median Trench Drain System	6,400	LF	\$30.00	\$ 192,000.00
Splash Block	3,200	LF	\$35.00	\$ 112,000.00
6" Vertical C&G w/ 2' Pan W/ Subgrade Prep	3,200	LF	\$20.50	\$ 65,600.00
5' Detached Walk w/ Subgrade Prep	1,600	LF	\$27.00	\$ 43,200.00
8' Detached Walk w/ Subgrade Prep	1,600	LF	\$50.00	\$ 80,000.00
Midblock Ramp	1	EA	\$3,300.00	\$ 3,300.00
30' Curb Return w/ Ramp	8	EA	\$6,000.00	\$ 48,000.00
Subgrade Prep.	8,000	SY	\$2.50	\$ 20,000.00
Fine Grade	8,000	SY	\$1.10	\$ 8,800.00
6" Class 6	8,000	SY	\$7.50	\$ 60,000.00
8" HMA	8,000	SY	\$34.75	\$ 278,000.00
Adjust Manhole		EA	\$700.00	\$ -
Adjust Valve Box		EA	\$250.00	\$ -
Stop sign with Street Identification	2	EA	\$500.00	\$ 1,000.00
Speed Limit Sign	2	EA	\$200.00	\$ 400.00
Bike Lane Sign	2	EA	\$350.00	\$ 700.00
Street Light	14	EA	\$3,500.00	\$ 49,000.00
Road Closed With Future Street Sign & Type III Barricade	3	EA	\$500.00	\$ 1,500.00
Striping & Pavement Markings	1,600	LF	\$1.00	\$ 1,600.00
Traffic Signal	-	EA	\$275,000.00	\$ -
			Street Improvements Subtotal	\$ 1,035,322.22
			10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing	\$ 310,596.67
			Street Improvements Total	\$ 1,345,918.89

II. STORM SEWER / DRAINAGE IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
10-ft Type R Inlet	3	Each	\$ 8,500.00	\$ 23,314.29
24-in RCP (Average Size)	960	LF	\$ 84.00	\$ 80,640.00
5-ft Manhole	3	Each	\$ 6,400.00	\$ 19,200.00
Lemon Gulch Tributary & Oak Gulch Improvements	0	LF	\$ 2,000.00	\$ -
Full Spectrum Detention Ponds	0	Each	\$ 150,000.00	\$ -
			Storm Sewer Improvements Subtotal	\$ 123,154.29
			10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing	\$ 36,946.29
			Storm Sewer Improvements Total	\$ 160,100.57

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Looking Glass - Metro District Improvements
Phase 4
June 2019

III. SANITARY SEWER IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
8-in PVC Pipe (8-ft/14-ft)	1100	LF	\$ 67.00	\$ 73,700.00
12-in PVC Pipe (8-ft/14-ft)	0	LF	\$ 90.00	\$ -
4-ft Manhole (14-ft/18-ft)	3	Each	\$ 4,800.00	\$ 14,400.00
Trench Stabilization	1100	LF	\$ 20.00	\$ 22,000.00
Sanitary Sewer Improvements Subtotal				\$ 110,100.00
10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing				\$ 33,030.00
Sanitary Sewer Improvements Tubtotal				\$ 143,130.00

IV. WATER IMPROVEMENTS				
Item	Quantity	Unit	Unit Cost	Total Cost
8" PVC Water Line	-	LF	\$44.45	\$ -
8" Gate Valve	-	EA	\$1,950.00	\$ -
8" Bend	-	EA	\$530.00	\$ -
8" Plug w/ 2" B.O. Assy.	-	EA	\$3,000.00	\$ -
8" Cross	-	EA	\$750.00	\$ -
8" Tee	-	EA	\$500.00	\$ -
18" Steel Casing Pipe with 8" Reinforced Concrete Encasement	-	LF	\$196.00	\$ -
22" Steel Casing Pipe with 8" Reinforced Concrete Encasement	-	LF	\$228.00	\$ -
12" PVC Water Line	1,600	LF	\$66.15	\$ 105,840.00
12" ARV	1	EA	\$7,200.00	\$ 7,200.00
12" PRV	1	EA	\$55,000.00	\$ 55,000.00
12" Gate Valve	9.00	EA	\$3,750.00	\$ 33,750.00
12" Bend	6	EA	\$933.00	\$ 5,598.00
12" Plug w/ 2" B.O. Assy.	1	EA	\$3,000.00	\$ 3,000.00
12" Low Pt. B.O. Assy.	1	EA	\$3,900.00	\$ 3,900.00
Fire Hydrant Assembly	2	EA	\$7,900.00	\$ 15,800.00
12"x8" Tee	2	EA	\$1,180.00	\$ 2,360.00
12" Tee	-	EA	\$1,380.00	\$ -
16" D.I.P. Water Line	-	LF	\$98.65	\$ -
16" ARV	-	EA	\$8,400.00	\$ -
16" Butterfly Valve	-	EA	\$6,700.00	\$ -
16" Bend	-	EA	\$2,000.00	\$ -
16"x8" Tee	-	EA	\$2,000.00	\$ -
16"x12" Cross	-	EA	\$3,000.00	\$ -
16" Plug w/ 2" B.O. Assy.	-	EA	\$3,500.00	\$ -
16" Low Pt. B.O. Assy.	-	EA	\$6,200.00	\$ -
Remove 16" Plug & Connect to Existing	-	EA	\$6,250.00	\$ -
Water Improvements Subtotal				\$ 232,448.00
10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing				\$ 69,734.40
Water Improvements Total				\$ 302,182.40

V. EROSION CONTROL IMPROVEMENTS - PART OF STREETS				
Item	Quantity	Unit	Unit Cost	Total Cost
Strippings	1,360	CY	\$ 1.70	\$ 2,312.00
Earthwork Cut/Fill	24000	CY	\$ 3.00	\$ 72,000.00
Erosion Control (Roadway)	1600	LF	\$ 18.00	\$ 28,800.00
Stripping Replacement	1,360	CY	\$ 1.70	\$ 2,312.00
Erosion Control Improvements Subtotal				\$ 105,424.00
10% Contingency + 5% Mobilization + 3% Surveying +12% Const. Manage. & Testing				\$ 31,627.20
Erosion Control Improvements Subtotal				\$ 137,051.20

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Looking Glass - Metro District Improvements
Phase 4
June 2019

VI. CLUBHOUSE - INCLUDED IN LANDSCAPING SUMMARY				
Item	Quantity	Unit	Unit Cost	Total Cost
Clubhouse - Pool Amenity	1	LS	\$ 7,500,000.00	\$ 7,500,000.00
Clubhouse - Pool Amenity Improvements				\$ 7,500,000.00

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Looking Glass - Metro District Eligible Infrastructure Expenses within the Planning Areas
June 2019

PHASE 1			
Planning Area	Lot Frontage	# Lots	Total Frontage (ft)
6	32	90	2880
7E	45	81	3645
7W	45	125	5625
8	50	82	4100
9	50	51	2550
21E	60	64	3840
21W	50	65	3250
25N	60	70	4200
25S	70	50	3500
		678	33590

PHASE 1 - P.A.'S 6, 7, 8, 9, 21, 25 - DEVELOPMENT ESTIMATE			
	LOT FRONTAGE		TOTAL
	(FT)	COST/LOT FRONTAGE	
EROSION CONTROL	33590	\$ 64.28	\$ 2,159,225.10
STREETS	33590	\$ 257.84	\$ 8,660,845.67
STORM SEWER/ DRAINAGE	33590	\$ 100.08	\$ 3,361,598.92
SANITARY SEWER	33590	\$ 87.83	\$ 2,950,097.55
WATER	33590	\$ 81.34	\$ 2,732,368.97
	\$	591.37	\$ 19,864,136.21

Note: Does not include water and sewer services, overlot grading, overexcavation, electric, gas, cable/internet/phone, permits or surety.

PHASE 2			
Planning Area	Lot Frontage	# Lots	Total Frontage (ft)
5	25	252	6300
14	32	65	2080
24	60	104	6240
12	32	149	4768
4	45	68	3060
3	32	81	2592
20	60	64	3840
		783	28880

PHASE 2 - P.A.'S 5, 14, 24, 12, 4, 3 & 20 - DEVELOPMENT ESTIMATE			
	LOT FRONTAGE		TOTAL
	(FT)	COST/LOT FRONTAGE	
EROSION CONTROL	28880	\$ 64.28	\$ 1,856,457.90
STREETS	28880	\$ 257.84	\$ 7,446,419.26
STORM SEWER/ DRAINAGE	28880	\$ 100.08	\$ 2,890,234.50
SANITARY SEWER	28880	\$ 87.83	\$ 2,536,433.98
WATER	28880	\$ 81.34	\$ 2,349,235.36
	\$	591.37	\$ 17,078,781.00

Note: Does not include water and sewer services, overlot grading, overexcavation, electric, gas, cable/internet/phone, permits or surety.

PHASE 3			
Planning Area	Lot Frontage	# Lots	Total Frontage (ft)
23	60	98	5880
22	70	51	3570
17	60	26	1560
16	50	36	1800
11	32	258	8256
2	45	54	2430
30	60	103	6180
29	70	106	7420
31	70	105	7350
32	60	33	1980
33	90	33	2970
		903	49396

PHASE 3 - P.A.'S 23, 22, 17, 16, 11, 2, 28, 30, 27, 29, 31, 32, 33, 1 DEVELOPMENT ESTIMATE			
	LOT FRONTAGE		TOTAL
	(FT)	COST/LOT FRONTAGE	
EROSION CONTROL	49396	\$ 64.28	\$ 3,175,262.97
STREETS	49396	\$ 257.84	\$ 12,736,264.74
STORM SEWER/ DRAINAGE	49396	\$ 100.08	\$ 4,943,421.86
SANITARY SEWER	49396	\$ 87.83	\$ 4,338,285.76
WATER	49396	\$ 81.34	\$ 4,018,103.53
	\$	591.37	\$ 29,211,338.86

Note: Does not include water and sewer services, overlot grading, overexcavation, electric, gas, cable/internet/phone, permits or surety.

PHASE 4			
Planning Area	Lot Frontage	# Lots	Total Frontage (ft)
28	60	46	2760
27	90	23	2070
1	60	56	3360
		125	8190

PHASE 4 - P.A.'S 1, 27 & 28 DEVELOPMENT ESTIMATE			
	LOT FRONTAGE		TOTAL
	(FT)	COST/LOT FRONTAGE	
EROSION CONTROL	8190	\$ 64.28	\$ 526,467.81
STREETS	8190	\$ 257.84	\$ 2,111,709.62
STORM SEWER/ DRAINAGE	8190	\$ 100.08	\$ 819,633.67
SANITARY SEWER	8190	\$ 87.83	\$ 719,300.36
WATER	8190	\$ 81.34	\$ 666,213.21
	\$	591.37	\$ 4,843,324.67

Note: Does not include water and sewer services, overlot grading, overexcavation, electric, gas, cable/internet/phone, permits or surety.

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

METRO DISTRICT OPINION OF COSTS - LANDSCAPE						
Project:	Hess Ranch			Prepared By:	CC/SA	
Date:	3-Jun-19			Job Number:	1242	
Client:	Front Range Communities					
TOTAL LANDSCAPE COSTS						
	Item		Qty	Unit	Unit cost	Cost Per Item
A. PHASE 1						
	1. Major Roads		1	ea	\$1,401,462.69	\$1,401,462.69
	2. Parks		1	ea	\$3,793,965.00	\$3,793,965.00
	3. Open Space		1	ea	\$500,000.00	\$500,000.00
	4. Irrigation Taps		1	ea	\$3,500,000.00	\$3,500,000.00
	5. Tree Mitigation		1	ea	\$356,590.00	\$356,590.00
	6. Trails		1	ea	\$939,244.00	\$939,244.00
	7. Perimeter Fencing		1	ea	\$194,125.00	\$194,125.00
	8. Entry Monuments		1	ea	\$330,000.00	\$330,000.00
	Subtotal					\$11,015,386.69
B. PHASE 2						
	1. Major Roads		1	ea	\$1,538,857.55	\$1,538,857.55
	2. Parks		1	ea	\$3,918,222.00	\$3,918,222.00
	3. Open Space		1	ea	\$500,000.00	\$500,000.00
	4. Irrigation Taps		1	ea	\$3,500,000.00	\$3,500,000.00
	5. Tree Mitigation		1	ea	\$350,000.00	\$350,000.00
	6. Trails		1	ea	\$383,690.00	\$383,690.00
	7. Perimeter Fencing		1	ea	\$380,250.00	\$380,250.00
	8. Entry Monuments		1	ea	\$200,000.00	\$200,000.00
	Subtotal					\$10,771,019.55
C. PHASE 3						
	1. Major Roads		1	ea	\$1,131,444.00	\$1,131,444.00
	2. Parks		1	ea	\$3,747,466.80	\$3,747,466.80
	3. Open Space		1	ea	\$500,000.00	\$500,000.00
	4. Irrigation Taps		1	ea	\$3,500,000.00	\$3,500,000.00
	5. Tree Mitigation		1	ea	\$350,000.00	\$350,000.00
	6. Trails		1	ea	\$798,950.00	\$798,950.00
	7. Perimeter Fencing		1	ea	\$265,000.00	\$265,000.00
	8. Entry Monuments		1	ea	\$200,000.00	\$200,000.00
	Subtotal					\$10,492,860.80
D. PHASE 4						
	1. Major Roads		1	ea	\$320,220.00	\$320,220.00
	2. Parks		1	ea	\$0.00	\$0.00
	3. Open Space		1	ea	\$100,000.00	\$100,000.00
	4. Irrigation Taps		1	ea	\$250,000.00	\$250,000.00
	5. Tree Mitigation		1	ea	\$50,000.00	\$50,000.00
	6. Trails		1	ea	\$0.00	\$0.00
	7. Perimeter Fencing		1	ea	\$75,000.00	\$75,000.00
	8. Entry Monuments		1	ea	\$50,000.00	\$50,000.00
	Subtotal					\$845,220.00
					TOTAL	\$33,124,487.04

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

METRO DISTRICT OPINION OF COSTS - LANDSCAPE						
Project:	Hess Ranch			Prepared By:	CC/SA	
Date:	3-Jun-19			Job Number:	1242	
Client:	Front Range Communities					
LOT FRONTAGE LANDSCAPE COSTS						
	Item		Qty	Unit	Unit cost	Cost Per Item
A. PHASE 1						
PA6	32'		90	ea	\$1,000.00	\$90,000.00
PA7E	45'		81	ea	\$1,126.00	\$91,206.00
PATW	45'		125	ea	\$1,126.00	\$140,750.00
PA8	50'		82	ea	\$1,190.00	\$97,580.00
PA9	50'		51	ea	\$1,190.00	\$60,690.00
PA21E	60'		64	ea	\$1,593.00	\$101,952.00
PA21W	50'		65	ea	\$1,190.00	\$77,350.00
PA25N	60'		70	ea	\$1,593.00	\$111,510.00
PA25S	70'		50	ea	\$1,996.00	\$99,800.00
Subtotal						\$870,838.00
B. PHASE 2						
PA5	25'		252	ea	\$1,000.00	\$252,000.00
PA14	32'		65	ea	\$1,000.00	\$65,000.00
PA24	60'		104	ea	\$1,593.00	\$165,672.00
PA12	32'		149	ea	\$1,000.00	\$149,000.00
PA4	45'		68	ea	\$1,126.00	\$76,568.00
PA3	32'		81	ea	\$1,000.00	\$81,000.00
PA20	60'		64	ea	\$1,593.00	\$101,952.00
Subtotal						\$891,192.00
C. PHASE 3						
PA23	60'		98	ea	\$1,593.00	\$156,114.00
PA22	70'		51	ea	\$1,996.00	\$101,796.00
PA17	60'		26	ea	\$1,593.00	\$41,418.00
PA16	50'		36	ea	\$1,190.00	\$42,840.00
PA11	32'		258	ea	\$1,000.00	\$258,000.00
PA2	45'		54	ea	\$1,126.00	\$60,804.00
PA30	60'		103	ea	\$1,593.00	\$164,079.00
PA29	70'		106	ea	\$1,996.00	\$211,576.00
PA31	70'		105	ea	\$1,996.00	\$209,580.00
PA32	60'		33	ea	\$1,593.00	\$52,569.00
PA33	90'		33	ea	\$2,500.00	\$82,500.00
Subtotal						\$1,381,276.00
D. PHASE 4						
PA28	60'		46	ea	\$1,593.00	\$73,278.00
PA27	90'		23	ea	\$2,500.00	\$57,500.00
PA1	60'		56	ea	\$1,593.00	\$89,208.00
Subtotal						\$219,986.00
					TOTAL	\$3,363,292.00

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

METRO DISTRICT OPINION OF COSTS - LANDSCAPE						
Project:	Hess Ranch			Prepared By:	CC/SA	
Date:	31-May-19			Job Number:	1242	
Client:	Front Range Communities					
MAJOR ROADS						
	Item		Qty	Unit	Unit cost	Cost Per Item
A. PHASE 1						
1. Arterial						
	Stroh Road		4326	lf	\$109.29	\$472,788.54
	South Chambers Road		2735	lf	\$109.29	\$298,908.15
	Subtotal					\$771,696.69
2. Collector						
	Spirit Trail Blvd.		2950	lf	\$213.48	\$629,766.00
	Subtotal					\$629,766.00
					TOTAL	\$1,401,462.69
B. PHASE 2						
1. Arterial						
	Stroh Road		2450	lf	\$285.88	\$700,406.00
	South Chambers Road		2515	lf	\$109.29	\$274,864.35
	Subtotal					\$975,270.35
2. Collector						
	Stroh Road		1250	lf	\$213.48	\$266,850.00
	Spirit Trail Blvd.		2250	lf	\$213.48	\$480,330.00
	Collector N/S		2640	lf	\$213.48	\$563,587.20
	Subtotal					\$563,587.20
					TOTAL	\$1,538,857.55
C. PHASE 3						
1. Arterial						
2. Collector						
	Stroh Road		2800	lf	\$213.48	\$597,744.00
	Spirit Trail Blvd.		5300	lf	\$213.48	\$1,131,444.00
	Subtotal					\$1,131,444.00
					TOTAL	\$1,131,444.00
D. PHASE 4						
1. Arterial						
2. Collector						
	Spirit Trail Blvd.		1500	lf	\$213.48	\$320,220.00
	Subtotal					\$320,220.00
					TOTAL	\$320,220.00

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

METRO DISTRICT OPINION OF COSTS - LANDSCAPE						
Project:	Hess Ranch			Prepared By:	CC/SA	
Date:	31-May-19			Job Number:	1242	
Client:	Front Range Communities					
PARKS						
	Item		Qty	Unit	Unit cost	Cost Per Item
A. PHASE 1 NEIGHBORHOOD PARKS						
1. Planning Area 6 (1.51 acres)						
	Active		65,776	ft2	\$6.00	\$394,653.60
	Passive		0	ft2	\$3.00	\$0.00
	Subtotal					\$394,653.60
2. Planning Area 7 (5.6 acres)						
	Active		182,952	ft2	\$6.00	\$1,097,712.00
	Passive		60,984	ft2	\$3.00	\$182,952.00
	Subtotal					\$1,280,664.00
3. Planning Area 8 (3.29 acres)						
	Active		107,484	ft2	\$6.00	\$644,904.00
	Passive		35,828	ft2	\$3.00	\$107,484.00
	Subtotal					\$752,388.00
4. Planning Area 9 (0.99 acres)						
	Active		43,124	ft2	\$6.00	\$258,746.40
	Passive		0	ft2	\$3.00	\$0.00
	Subtotal					\$258,746.40
5. Planning Area 21 (3.11 acres)						
	Active		67,736	ft2	\$6.00	\$406,416.00
	Passive		67,736	ft2	\$3.00	\$203,208.00
	Subtotal					\$609,624.00
6. Planning Area 25 (2.54 acres)						
	Active		55,321	ft2	\$6.00	\$331,926.00
	Passive		55,321	ft2	\$3.00	\$165,963.00
	Subtotal					\$497,889.00
					TOTAL	\$3,793,965.00
B. PHASE 2 COMMUNITY PARKS						
1. Planning Area 13 (13.44 acres)						
	Active		292,723	ft2	\$6.00	\$1,756,339.20
	Passive		292,723	ft2	\$1.00	\$292,723.20
	Subtotal					\$2,049,062.40
2. Planning Area 15 (12.26 acres)						
	Active		267,023	ft2	\$6.00	\$1,602,136.80
	Passive		267,023	ft2	\$1.00	\$267,022.80
	Subtotal					\$1,869,159.60
					TOTAL	\$3,918,222.00
C. PHASE 3 COMMUNITY PARKS						
1. Planning Area 18 (10.00 acres)						
	Active		217,800	ft2	\$6.00	\$1,306,800.00
	Passive		217,800	ft2	\$1.00	\$217,800.00
	Subtotal					\$1,524,600.00
2. Planning Area 26 (14.58 acres)						
	Active		317,552	ft2	\$6.00	\$1,905,314.40

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

	Passive		317,552	ft2		\$1.00	\$317,552.40
Subtotal							\$2,222,866.80
TOTAL							\$3,747,466.80

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

METRO DISTRICT OPINION OF COSTS - LANDSCAPE						
Project:	Hess Ranch			Prepared By:	CC/SA	
Date:	31-May-19			Job Number:	1242	
Client:	Front Range Communities					
REGIONAL TRAILS AND CONNECTORS						
	Item		Qty	Unit	Unit cost	Cost Per Item
A. PHASE 1						
1. Trails						
	8' Trail		10,431	lf	\$50.00	\$521,550.00
	10' Trail		6,737	lf	\$62.00	\$417,694.00
	Subtotal					\$939,244.00
B. PHASE 2						
1. Trails						
	8' Trail		3,464	lf	\$50.00	\$173,200.00
	10' Trail		3,395	lf	\$62.00	\$210,490.00
	Subtotal					\$383,690.00
C. PHASE 3						
1. Trails						
	8' Trail		15,979	lf	\$50.00	\$798,950.00
	10' Trail		0	lf	\$62.00	\$0.00
	Subtotal					\$798,950.00
D. PHASE 4						
1. Trails						
	8' Trail		0	lf	\$50.00	\$0.00
	10' Trail		0	lf	\$62.00	\$0.00
	Subtotal					\$0.00
					TOTAL	\$2,121,884.00

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

METRO DISTRICT OPINION OF COSTS - LANDSCAPE						
Project:	Hess Ranch			Prepared By:	CC/SA	
Date:	31-May-19			Job Number:	1242	
Client:	Front Range Communities					
SEGMENT 1 PERIMETER FENCING						
	Item		Qty	Unit	Unit cost	Cost Per Item
A. ARTERIAL						
	1. Privacy Fence		6846	lf	\$25.00	\$171,150.00
	Subtotal					\$171,150.00
B. COLLECTOR						
	1. Privacy Fence		919	lf	\$25.00	\$22,975.00
	Subtotal					\$22,975.00
						\$194,125.00
SEGMENT 1 ENTRY MONUMENTS						
	Item		Qty	Unit	Unit cost	Cost Per Item
	Sign Wall		2	ea	\$80,000.00	\$160,000.00
	Sign Column		12	ea	\$10,000.00	\$120,000.00
	Misc. Sign (Park, OS, etc.)		10	ea	\$5,000.00	\$50,000.00
	Subtotal					\$330,000.00

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

METRO DISTRICT OPINION OF COSTS - LANDSCAPE						
Project:	Hess Ranch			Prepared By:	CC/SA	
Date:	31-May-19			Job Number:	1242	
Client:	Front Range Communities					
SPINE ROADS PER LINEAR FOOT COST						
	Item		Qty	Unit	Unit cost	Cost Per Item
A. ARTERIAL (Does not include second phase by Parker)						
1. Tree Lawn						
	Landscaping		1	lf	\$34.29	\$34.29
	Subtotal					\$34.29
2. Buffer						
	Landscaping		1	lf	\$75.00	\$75.00
	Subtotal					\$75.00
					TOTAL	\$109.29
B. COLLECTOR						
1. Tree Lawn A						
	Landscaping		1	lf	\$40.59	\$40.59
	Subtotal					\$40.59
2. Tree Lawn B						
	Landscaping		1	lf	\$40.59	\$40.59
	Subtotal					\$40.59
3. Median						
	Landscaping		1	lf	\$67.30	\$67.30
	Subtotal					\$67.30
4. Buffer A						
	Landscaping		1	lf	\$65.00	\$65.00
	Subtotal					\$65.00
5. Buffer B						
	Landscaping		1	lf	\$65.00	\$65.00
	Subtotal					\$65.00
					TOTAL	\$213.48
LOT FRONTAGE ON LOCAL ROW						
	Item		Qty	Unit	Unit cost	Cost Per Item
A. LOT SIZE						
1. 45 Feet						
	Tree Lawn		360	ft2	\$1.60	\$576.00
	Street Tree (2.5")		1	ea	\$550.00	\$550.00
	Subtotal					\$1,126.00
2. 50 Feet						
	Tree Lawn		400	ft2	\$1.60	\$640.00
	Street Tree (2.5")		1	ea	\$550.00	\$550.00
	Subtotal					\$1,190.00
3. 60 Feet						
	Tree Lawn		480	ft2	\$1.60	\$768.00
	Street Tree (2.5")		1.5	ea	\$550.00	\$825.00
	Subtotal					\$1,593.00
4. 70 Feet						
	Tree Lawn		560	ft2	\$1.60	\$896.00
	Street Tree (2.5")		2	ea	\$550.00	\$1,100.00

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.

Subtotal						\$1,996.00
5. 32 foot paired lot						
	Tree Lawn		560	ft2	\$1.60	\$896.00
	Street Tree (2.5")		2	ea	\$550.00	\$1,100.00
Subtotal						\$1,996.00

The estimates provided are based on the phasing maps provided in the Service Plan. The number of phases as well as the boundaries of those phases may be amended in the future based on the planned buildout of the Looking Glass community. The planned District boundaries may also be amended in the future based on the amended phases.