

**LANTERNS METROPOLITAN DISTRICT
NOS. 1-3**

2018 CONSOLIDATED ANNUAL REPORT

LANTERNS METROPOLITAN DISTRICT NOS. 1-3

**2018 CONSOLIDATED ANNUAL REPORT
TO
THE TOWN OF CASTLE ROCK**

Pursuant to the Second Amended and Restated Service Plan for Lanterns Metropolitan District No. 1 (“**District No. 1**”) and First Amended and Restated Service Plan (the “**Service Plan**”) for Lanterns Metropolitan District Nos. 2 & 3 (each a “**District**,” collectively the “**Districts**”), the Districts are required to provide an annual report to the Town of Castle Rock (the “**Town**”) with regard to the following matters:

For the year ending December 31, 2018, the Districts make the following report:

- 1. A narrative summary of the progress of the District in implementing its service plan for the Report Year.**

On August 1, 2018 Lanterns Metropolitan District Nos. 2 & 3 each adopted a resolution of return to active status.

In the report year the Districts underwent boundary adjustments to reflect the revised boundaries as contemplated in the Service Plan approved by the Town on August 21, 2018. A copy of the Recorded Orders for Exclusion and Orders for Inclusion are attached hereto as **Exhibit A**.

On September 6, 2018 District No. 1 entered into an Independent Contractor Agreement with Independent District Engineering Services, LLC for cost certification services.

On September 6, 2018 the Districts approved the Intergovernmental Agreement with the Town.

On November 6, 2018 the Districts conducted a special mail ballot election for the purposes of presenting certain ballot issues and/or questions to the electorate.

- 2. Except when an exemption from audit has been granted for the Report Year under the Local Government Audit Law, the audited financial statements of the District 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.**

The Districts applied for an exemption from audit for 2018 under the Local Government Audit Law, and a copy of the applications are attached here as **Exhibit B**.

- 3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in a Report Year, as well as any capital improvements or**

projects proposed to be undertaken in the five (5) years following the Report Year.

During 2018, no capital expenditures were incurred by the Districts in development of public facilities. All capital improvements for the development are being constructed by Toll Southwest LLC (the “Developer”).

According to the Developer, construction of the public improvements to serve Phase I of the development commenced in October 2018, is thirty (30) percent complete and is expected to be completed in mid- 2020, with the construction of the public improvements for Phase II of the development expected to be completed in mid-2020 and, with the construction of the public improvements for Phase III of the development expected to be completed in mid-2022

In the 5 years following the Report Year, it is expected that the Districts will finance the construction and acquisition of all or a part of the public improvements within their respective boundaries.

A copy of the District No. 1's 2018 budget is attached hereto as **Exhibit C**.

- 4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the Report Year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the Report Year, the amount of payment or retirement of existing indebtedness of the District in the Report Year, the total assessed valuation of all taxable properties within the District as of January 1 of the Report Year, and the current mill levy of the District pledged to debt retirement in the Report Year.**

A summary of the financial obligations of the Districts at the end of the report year are as follows:

Facilities Acquisition and Reimbursement Agreement. District No. 1 and Jefferson 500 LLC (“Jefferson 500”) entered into a Facilities Acquisition and Reimbursement Agreement dated April 9, 2014 with an effective date of December 31, 2013. \$99,971.78 in principal has been certified by District No. 1 under this agreement.

Development and Cost Reimbursement Agreement. District No. 1, Crystal Valley Metropolitan District No. 1, Crystal Valley Metropolitan District No. 2 (together with Crystal Valley Metropolitan District, the “CV Districts”) and Crystal Crossing Metropolitan District (“CCMD”) entered into a Development and Cost Reimbursement Agreement (Lighting/Landscaping Project) dated February 17, 2009 as amended by that certain First Amendment to Development and Cost Reimbursement Agreement (Lighting /Landscaping Project) between the CV Districts, the District and CCMD dated June 12, 2014 (collectively, the “Development and Cost Reimbursement Agreement”).

In full and final settlement of all claims between District No. 1 and CCMD pursuant to the Development and Cost Reimbursement Agreement, tDistrict No. 1 agreed to make a payment in the amount of \$197,480 to CCMD.

In full and final settlement of all claims between tDistrict No. 1 and the CV Districts pursuant to the Development and Cost Reimbursement Agreement, District No. 1 agreed to make a payment in the amount of \$22,284 to the CV Districts.

Cost Reimbursement Agreement. District No. 1 and Crystal Valley Metropolitan District No. 1, and CCMD entered into a Cost Reimbursement Agreement dated November 11, 2005 as amended by that certain First Amendment to Cost Reimbursement Agreement between the District and CCMD dated June 12, 2014 (collectively, the “Cost Reimbursement Agreement”).

District No. 1 agreed to make a payment to CCMD in the amount of \$388,951 in full and final settlement of all claims between District No. 1 and CCMD pursuant to the Cost Reimbursement Agreement.

Development and Cost Reimbursement Agreement (Track Bridge). District No. 1, Crystal Valley Metropolitan District No. 1 (“CVMD”) and CCMD entered into a Development and Cost Reimbursement Agreement (Track Bridge Project) dated August 26, 2005 as amended and restated by the Amended and Restated Development and Cost Reimbursement Agreement (Track Bridge Project) between tDistrict No. 1, CVMD and CCMD dated November 11, 2005, as further amended by that certain First Amendment to Development and Cost Reimbursement Agreement (Track Bridge Project) between CVMD, District No. 1 and CCMD dated June 12, 2014 (collectively, the “Bridge DCRA”).

In full and final settlement of all claims between District No. 1 and CCMD pursuant to the Bridge DCRA, District No. 1 agreed to make a payment in the amount of \$180,065.41 to CCMD.

In full and final settlement of all claims between District No. 1 and CVMD pursuant to the Bridge DCRA, District No. 1 agreed to make a payment in the amount of \$990,086.93 to CVMD.

Operation Funding Agreements. Over the past several years, District No. 1 and Jefferson 500 have entered into a series of Operation Funding Agreements: (i) the 2014 Operation Funding Agreement was entered into on April 9, 2014 with an effective date of December 31, 2013 (the “2014 Operation Funding Agreement”); (ii) the 2015 Operation Funding Agreement was entered into on December 8, 2014 with an effective date of January 1, 2015 (the “2015 Operation Funding Agreement”); (iii) the 2016 Operation Funding Agreement was entered into on December 9, 2015 with an effective date of January 1, 2016 (the “2016 Operation Funding Agreement”); (iv) the 2017 Operation Funding Agreement was entered into on December 13, 2016 with an effective date of January 1, 2017 (the “2017 Operation Funding Agreement”); and (v) the 2018 Operation Funding Agreement was entered into on November 8, 2017 with an effective date of January 1, 2018, such agreement was amended by the First Amendment to 2018 Operation Funding Agreement entered into on

September 6, 2018, and further amended by the Second Amendment to 2018 Operation Funding Agreement entered into on December 6, 2018 (together, the “2018 Operation Funding Agreement”). The 2014 Operation Funding Agreement, the 2015 Operation Funding Agreement, the 2016 Operation Funding Agreement, the 2017 Operation Funding Agreement and the 2018 Operation Funding Agreement are collectively referred to as the “Operation Funding Agreement.”

\$53,959.43 in principal is outstanding under the Operation Funding Agreement.

As of December 31, 2018, the Districts had not issued outstanding indebtedness or long-term obligations.

	<u>Assessed Valuation</u>	<u>Debt Service Obligation Mill Levy</u>
District No. 1:	\$910	0.000 mills
District No. 2:	\$0	0.000 mills
District No. 3:	\$0	0.000 mills

5. The District’s budget for the calendar year in which the annual report is submitted.

Copies of the Districts’ 2019 budgets are attached as **Exhibit D**.

6. A summary of residential and commercial development which has occurred within the District for the Report Year.

During 2018, no capital expenditures were incurred by the Districts in development of public facilities. All capital improvements for the development are being constructed by the Developer.

According to the Developer, construction of the public improvements to serve Phase 1 of the development commenced in October 2018, is thirty (30) percent complete and is expected to be completed in mid- 2020, with the construction of the public improvements for Phase II of the development expected to be completed in mid-2020 and, with the construction of the public improvements for Phase III of the development expected to be completed in mid-2022.

In the 5 years following the Report Year, it is expected that the Districts will finance the construction and acquisition of all or a part of the public improvements within their respective boundaries.

7. A summary of all fees, charges and assessments imposed by the District as of January 1 of the Report Year.

There are no fees, charges or assessments imposed by the Districts as of January 1 of the report year.

8. Certification of the Board that no action, event or condition enumerated in Section 11.02.060 of the Town Code has occurred in the Report Year.

The Boards of Directors of the Districts hereby certify, to the best of their actual knowledge, that no action, event or condition has taken place constituting a material modification of the Service Plan as of December 31, 2018 since the Amended and Restated Service Plan was approved by the Town on August 21, 2018.

9. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board.

Reggie Carveth, President
10 Inverness Drive East, Suite 125
Englewood, CO 80112
303-708-0730

Terry Hodge, Treasurer
10 Inverness Drive East, Suite 125
Englewood, CO 80112
303-708-0730

Scott Carlson, Vice President
12460 1st Street
P.O. Box 247
Eastlake, CO 80614
303-457-2966

Tim Westbrook, Secretary
10 Inverness Drive East, Suite 125
Englewood, CO 80112
303-708-0730

Mark Bailey, Assistant Secretary
10 Inverness Drive East, Suite 125
Englewood, CO 80112
303-708-0730

General Counsel:

Clint C. Waldron
White Bear Ankele Tanaka & Waldron, Attorneys at Law
2154 E Commons Ave., Suite 2000
Centennial, CO 80122
Telephone: 303-858-1800

Regular Meetings:

Date: First Thursday of March, June, September and December
Place: 10 Inverness Drive East, Suite 125, Englewood, Colorado 80112
Time: 11:00 A.M.

EXHIBIT A

Orders for Inclusion and Exclusion

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DISTRICT COURT, DOUGLAS COUNTY, COLORADO	
Court Address: 4000 Justice Way, Castle Rock, CO, 80109-7546	
DATE FILED: November 12, 2018 5:07 PM	
In the Matter of:	
In the Matter of: LANTERNS METROPOLITAN DISTRICT NO 1	
△ COURT USE ONLY △	
Case Number: 2003CV1264	
Division: 1	Courtroom:
Order for Exclusion (Approximately 79 acres from Lanterns Metropolitan District No. 1)	

The motion/proposed order attached hereto: GRANTED.

Issue Date: 11/12/2018



DAVID JOHN STEVENS
District Court Judge

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

NOV 15 2018



CHERYLA A. LAYNE
Clerk of the Combined Court
By J. Delgado Deputy

(6 pages)

<p>DISTRICT COURT, DOUGLAS COUNTY, COLORADO</p> <p>Court Address: 4000 Justice Way Castle Rock, CO 80109</p> <p>Telephone: (720) 437-6200</p>	
<p>Petitioner:</p> <p>LANTERNS METROPOLITAN DISTRICT NO. 1</p>	<p>▲ COURT USE ONLY ▲</p>
<p>By the Court:</p>	<p>Case Number: 2003cv1264</p> <p>Division: 2</p> <p>Courtroom:</p>
<p>ORDER FOR EXCLUSION (Approximately 79 acres from Lanterns Metropolitan District No. 1)</p>	

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

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

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

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

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

DONE AND EFFECTIVE THIS ____ day of _____ 2018.

BY THE COURT:

District Court Judge

EXHIBIT A
(Legal Description and Map of Exclusion
Property)

LANTERNS
METROPOLITAN DISTRICT NO. 1
Castle Rock, Colorado

LEGAL DECIPTION:

AN IRREGULAR PARCEL OF LAND LYING IN SECTIONS 26 AND SECTION 27
TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN,
COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 26,
THENCE N08°40'05"E, 2451.23 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG N58°55'29"W, 271.73 FEET ;
THENCE N61°59'41"W, 99.70 FEET;
THENCE N67°35'19"W, 431.65 FEET;
THENCE N60°51'24"W, 407.07 FEET;
THENCE N03°54'24"W, 191.75 FEET;
THENCE N10°14'44"E, 660.16 FEET;
THENCE N32°09'58"E, 108.62 FEET;
THENCE N55°40'05"E, 264.44 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 514.00 FEET, A CENTRAL ANGLE
OF 21°39'17" (THE CHORD OF WHICH BEARS N25°07'22"W, 193.11 FEET), 194.27 FEET TO A POINT OF
TANGENT;
THENCE N14°17'44"W ALONG SAID TANGENT, 229.89 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 944.19 FEET, A CENTRAL ANGLE
OF 35°00'45" (THE CHORD OF WHICH BEARS N01°33'02"E, 568.04 FEET), 576.98 FEET TO A POINT OF
TANGENT;
THENCE N17°34'24"E ALONG SAID TANGENT, 595.82 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 627.74 FEET, A CENTRAL ANGLE
OF 29°24'13" (THE CHORD OF WHICH BEARS N32°01'55"E, 318.63 FEET), 322.15 FEET TO A POINT OF
TANGENT;
THENCE N46°44'02"E ALONG SAID TANGENT, 124.31 FEET;
THENCE S00°13'39"W, 59.18 FEET;
THENCE S48°44'29"W, 83.63 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 595.12 FEET, A CENTRAL ANGLE
OF 29°02'30" (THE CHORD OF WHICH BEARS S32°01'36"W, 298.43 FEET), 301.65 FEET TO A POINT OF
TANGENT;
THENCE S17°36'39"W ALONG SAID TANGENT, 281.66 FEET;
THENCE S72°30'17"E, 40.76 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 222.53 FEET, A CENTRAL ANGLE
OF 58°56'43" (THE CHORD OF WHICH BEARS S42°54'03"E, 218.97 FEET), 228.93 FEET TO A POINT OF
TANGENT;
THENCE S13°25'27"E ALONG SAID TANGENT, 232.93 FEET TO A POINT OF CURVE,
THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 443.44 FEET, A CENTRAL ANGLE
OF 44°34'06" (THE CHORD OF WHICH BEARS S37°38'10"E, 336.31 FEET), 344.94 FEET TO A POINT OF
TANGENT;
THENCE S67°18'45"E ALONG SAID TANGENT, 189.28 FEET;
THENCE N76°52'53"E, 277.08 FEET;
THENCE S89°59'58"E, 548.00 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 407.05 FEET, A CENTRAL ANGLE
OF 40°19'18" (THE CHORD OF WHICH BEARS S69°50'20"E, 280.59 FEET), 286.46 FEET TO A POINT
ALONG SAID CURVE;

LANTERNS

METROPOLITAN DISTRICT NO. 1

Castle Rock, Colorado

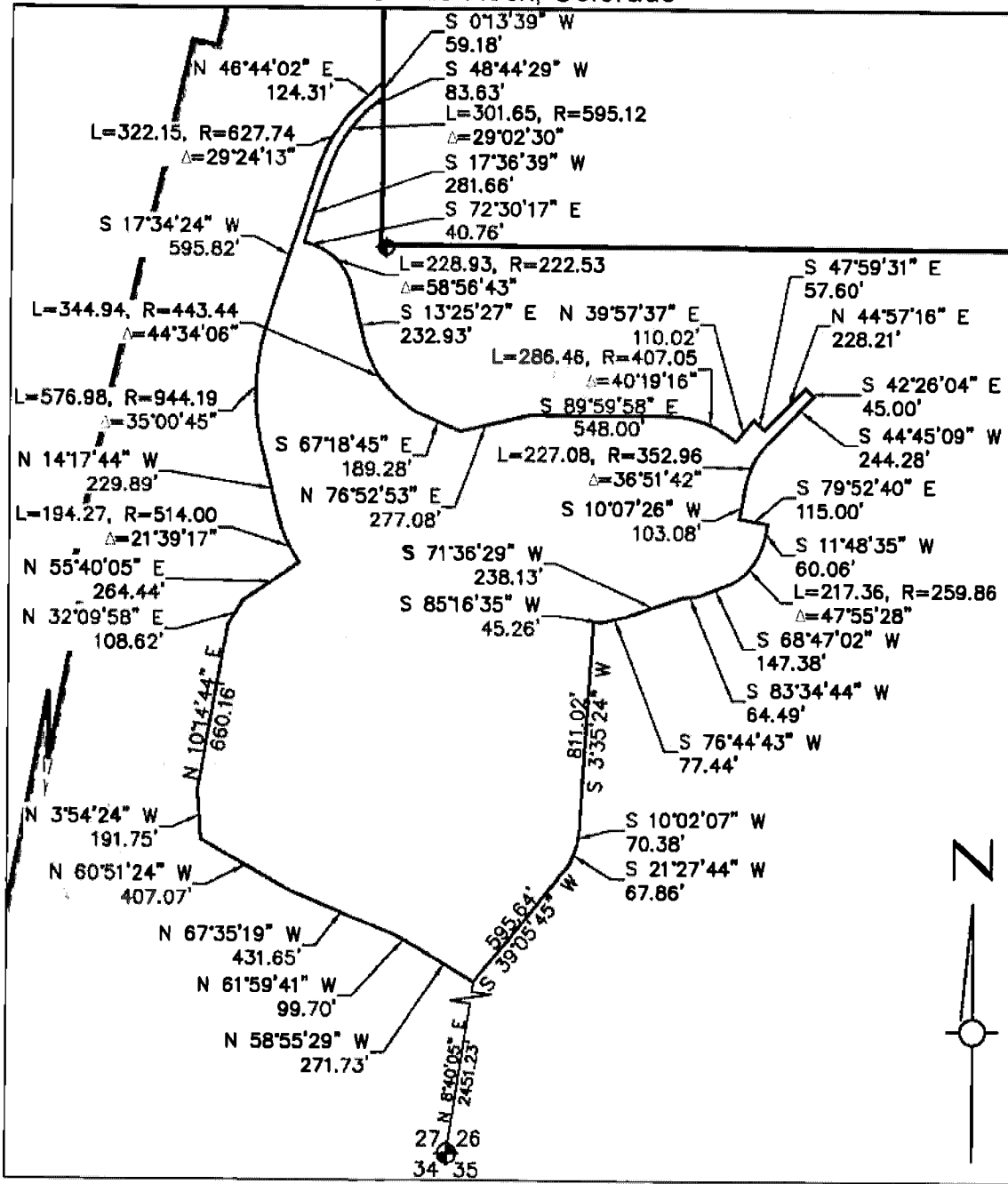
THENCE N39°57'37"E, 110.02 FEET;
THENCE S47°59'31"E, 57.60 FEET;
THENCE N44°57'16"E, 228.21 FEET;
THENCE S42°26'04"E, 45.00 FEET;
THENCE S44°45'09"W, 244.28 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 352.96 FEET, A CENTRAL ANGLE OF 36°51'42" (THE CHORD OF WHICH BEARS S26°19'18"W, 223.19 FEET), 227.08 FEET TO A POINT OF TANGENT;
THENCE S10°07'26"W ALONG SAID TANGENT, 103.08 FEET;
THENCE S79°52'40"E, 115.00 FEET;
THENCE S11°48'35"W, 60.06 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 259.86 FEET, A CENTRAL ANGLE OF 47°55'28" (THE CHORD OF WHICH BEARS S35°46'19"W, 211.07 FEET), 217.36 FEET TO A POINT OF TANGENT;
THENCE S66°47'02"W ALONG SAID TANGENT, 147.36 FEET;
THENCE S83°34'44"W, 64.49 FEET;
THENCE S71°36'29"W, 238.13 FEET;
THENCE S76°44'43"W, 77.44 FEET;
THENCE S85°16'35"W, 45.26 FEET;
THENCE S03°35'24"W, 811.02 FEET;
THENCE S10°02'07"W, 70.39 FEET;
THENCE S21°27'44"W, 67.86 FEET;

THENCE S39°05'45"W, 595.64 FEET TO THE POINT OF BEGINNING
CONTAINING 3,425,220 SF OR 78.63 ACRES, MORE OR LESS.

LANTERNS

METROPOLITAN DISTRICT NO. 1

Castle Rock, Colorado



DISTRICT COURT, DOUGLAS COUNTY, COLORADO	
Court Address: 4000 Justice Way, Castle Rock, CO, 80109-7546	DATE FILED: October 29, 2018 8:18 AM
In the Matter of:	
In the Matter of: LANTERNS METROPOLITAN DISTRICT NO 2	
	△ COURT USE ONLY △
	Case Number: 2014CV30994 Division: 3 Courtroom:
Order for Exclusion (Approximately 0.001 acres from Lanterns Metropolitan District No. 2)	

The motion/proposed order attached hereto: GRANTED.

Issue Date: 10/29/2018



DAVID JOHN STEVENS
District Court Judge

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

NOV 15 2018



CHERYLA A. LAYNE
Clerk of the Combined Court
By J. Delgado Deputy

(6 pages)

DISTRICT COURT, DOUGLAS COUNTY, COLORADO Court Address: 4000 Justice Way Castle Rock, CO 80109 Telephone: (720) 437-6200	
Petitioner: LANTERNS METROPOLITAN DISTRICT NO. 2	▲ COURT USE ONLY ▲
By the Court:	Case Number: 2014CV30994 Division: 3 Courtroom:
ORDER FOR EXCLUSION (Approximately 0.001 acres from Lanterns Metropolitan District No. 2)	

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

1. That the real property set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property"), shall be and is hereby excluded from the boundaries of the District.
2. Pursuant to § 32-1-503(1), C.R.S., the Property shall remain obligated for its proportionate share of the principal and interest on the outstanding bonded indebtedness of the District existing immediately prior to the effective date of this Order. As of the date of this Order, there is no outstanding bonded indebtedness of the District for which the Property will be liable.
3. In accordance with § 32-1-503(1), C.R.S., the Property shall not become obligated for any property tax levied by the District for operating costs of the District nor for any bonded indebtedness issued after the date of this Order.
4. The District shall file this order in accordance with the provisions of § 32-1-105, C.R.S.

DONE AND EFFECTIVE THIS ____ day of _____ 2018.

BY THE COURT:

District Court Judge

EXHIBIT A
(Legal Description and Map of Exclusion Property)


LANTERNS METROPOLITAN DISTRICT NO. 2 Castle Rock, Colorado

LEGAL DESCRIPTION:

A PARCEL OF LAND LYING IN THE NORTHWEST QUARTER OF SECTION 26,
TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN,
COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 26;
THENCE N00°05'48"E 5279.75 FEET TO THE POINT OF BEGINNING;
THENCE CONTINUING ALONG N89°50'08"W, 20.00 FEET ;
THENCE N00°09'52"E, 20.00 FEET;
THENCE S89°50'08"E, 20.00 FEET;
THENCE S00°09'52"W, 20.00 FEET TO THE POINT OF BEGINNING.

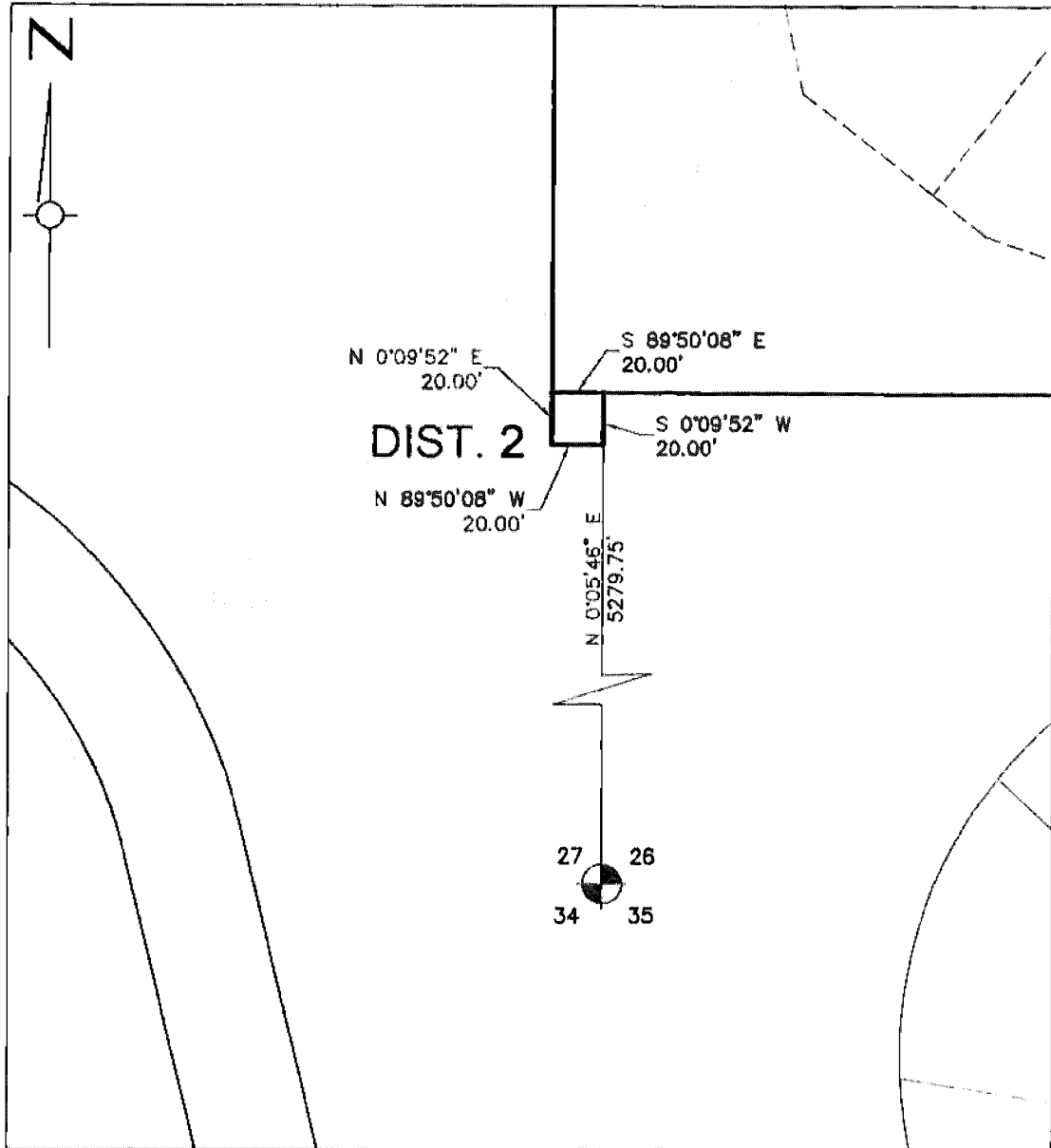
CONTAINING 400 SQUARE FEET OR 0.001 ACRES, MORE OR LESS.

LANTERNS		DISTRICT NO. 2 LEGAL DESCRIPTION
 PHELPS	07/31/2014	
<small>ENGINEERING & SURVEYING SERVICES 200 University Blvd. Suite 200, Aurora, CO 80012-3828</small>		

LANTERNS

METROPOLITAN DISTRICT NO. 2

Castle Rock, Colorado



DISTRICT COURT, DOUGLAS COUNTY, COLORADO Court Address: 4000 Justice Way, Castle Rock, CO, 80109-7546	DATE FILED: October 29, 2018 8:28 AM CASE NUMBER: 2014CV30995
In the Matter of:	
In the Matter of: LANTERNS METROPOLITAN DISTRICT NO 3	
	△ COURT USE ONLY △
	Case Number: 2014CV30995 Division: 3 Courtroom:
Order for Exclusion (Approximately 0.001 acres from Lanterns Metropolitan District No. 3)	

The motion/proposed order attached hereto: GRANTED.

Issue Date: 10/29/2018



DAVID JOHN STEVENS
District Court Judge

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

NOV 15 2018



CHERYLA LAYNE
Clerk of the Combined Court
By *[Signature]* Deputy

(6 pages)

DISTRICT COURT, DOUGLAS COUNTY, COLORADO Court Address: 4000 Justice Way Castle Rock, CO 80109 Telephone: (720) 437-6200	
Petitioner: LANTERNS METROPOLITAN DISTRICT NO. 3	▲ COURT USE ONLY ▲
By the Court:	Case Number: 2014CV30995 Division: 3 Courtroom:
ORDER FOR EXCLUSION (Approximately 0.001 acres from Lanterns Metropolitan District No. 3)	

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

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

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

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

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

DONE AND EFFECTIVE THIS ____ day of _____ 2018.

BY THE COURT:

District Court Judge

APPROVED FOR THE COURT BY THE CLERK

EXHIBIT A
(Legal Description and Map of Exclusion Property)

EXHIBIT A
(Legal Description and Map of Exclusion Property)

LANTERNS METROPOLITAN DISTRICT NO. 3


Castle Rock, Colorado

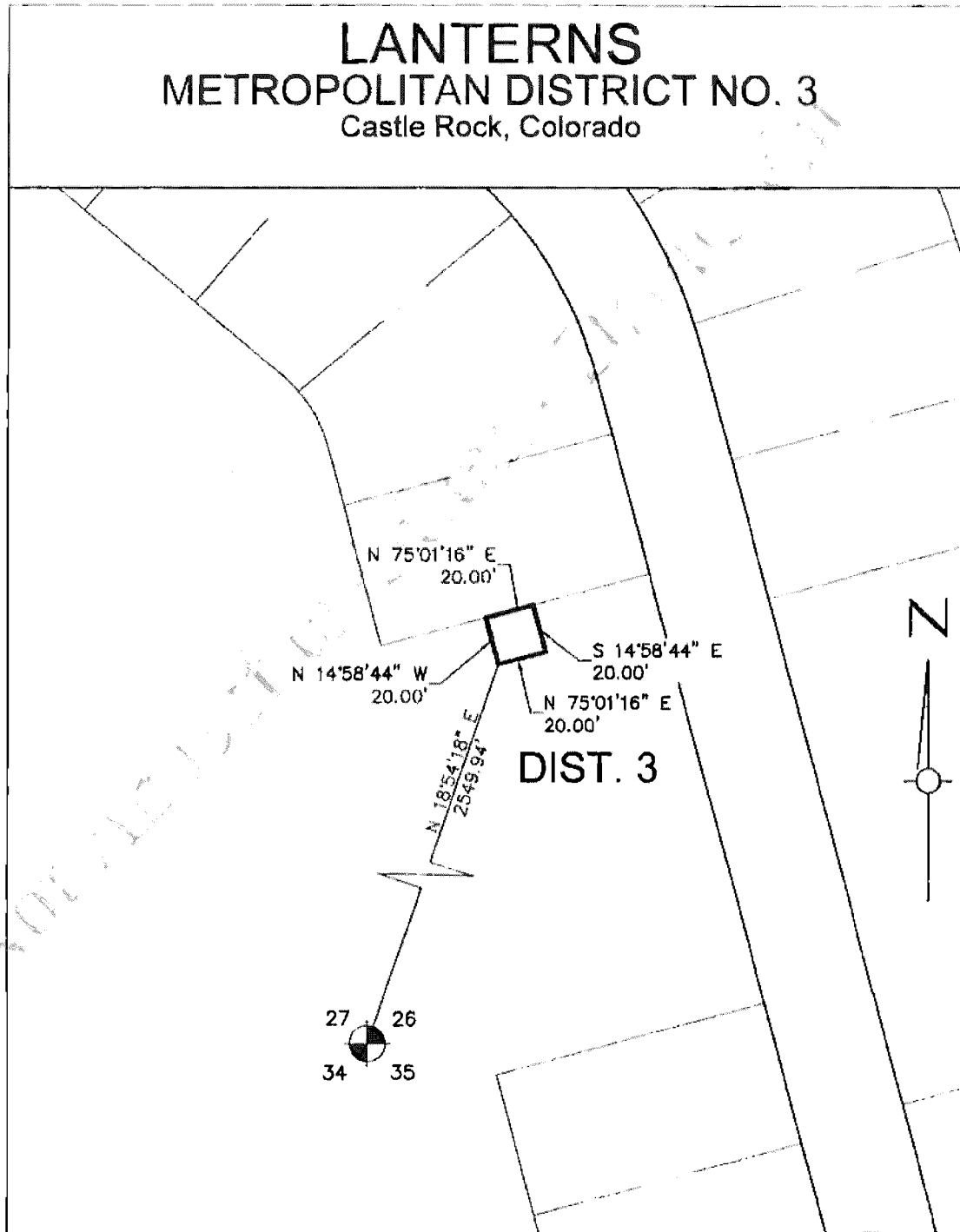
LEGAL DESCRIPTION:

A PARCEL OF LAND LYING IN THE SOUTHWEST QUARTER OF SECTION 26,
TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN,
COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 26;
THENCE N18°54'18"E 2549.94 FEET TO THE POINT OF BEGINNING;
THENCE CONTINUING ALONG N14°58'44"W, 20.00 FEET;
THENCE N75°01'16"E, 20.00 FEET;
THENCE S14°58'44"E, 20.00 FEET;
THENCE S75°01'16"W, 20.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 400 SQUARE FEET OR 0.001 ACRES, MORE OR LESS.

LANTERNS		DISTRICT NO. 3 LEGAL DESCRIPTION
	08/11/2014	



DISTRICT COURT, DOUGLAS COUNTY, COLORADO	
Court Address: 4000 Justice Way, Castle Rock, CO, 80109-7546	DATE FILED: June 13, 2019 12:36 PM CASE NUMBER: 2003CV1264
In the Matter of: LANTERNS METROPOLITAN DISTRICT NO 1	△ COURT USE ONLY △ Case Number: 2003CV1264 Division: 3 Courtroom:
Order Granting Amended Order for Inclusion	

The motion/proposed order attached hereto: GRANTED.

Issue Date: 6/13/2019



DAVID JOHN STEVENS
District Court Judge

COMBINED COURT
STATE OF COLORADO } ss.
Douglas County.

CERTIFIED to be a full, true and correct copy of the original in my custody.

JUN 14 2019



CHERYLA LAYNE
Clerk of the Combined Court
By AKL Deputy

DISTRICT COURT, DOUGLAS COUNTY, COLORADO Court Address: 4000 Justice Way Castle Rock, CO 80109 Telephone: (720) 437-6200	
Petitioner: LANTERNS METROPOLITAN DISTRICT NO. 1	▲ COURT USE ONLY ▲ Case Number: 2003CV1264 Division: 1 Courtroom:
By the Court:	
AMENDED ORDER FOR INCLUSION (Approximately 272 Acres into Lanterns Metropolitan District No. 1)	

THIS MATTER comes before the Court, on Motion for Amended Order for Inclusion filed by the Board of Directors of Lanterns Metropolitan District No. 1, Town of Castle Rock, Douglas County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. The District's Motion is hereby granted.
2. The legal description attached hereto as **Exhibit A**, corrects the scrivener's errors in the original legal description of the property included in the boundaries of the District and shall replace the legal description attached as Exhibit A to the Order of Inclusion issued by the Court on September 10, 2018 (the "Original Order").
3. The District shall record this Order in accordance with the provisions of Section 32-1-105, C.R.S.
4. This Order shall be effective *nunc pro tunc* to the date of the Original Order.

DONE AND EFFECTIVE THIS _____ DAY OF _____ 2019.

BY THE COURT:

District Court Judge



EXHIBIT A
(Legal Description of Inclusion Property)

LEGAL DESCRIPTION - THE LANTERNS METROPOLITAN DISTRICT NO. 1

A PARCEL OF LAND BEING A PART OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22, AND A PART OF SECTION 26 AND A PART OF THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 28 AND CONSIDERING THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 26, BEING MONUMENTED AS SHOWN ON THE ATTACHED EXHIBIT TO BEAR SOUTH 89°50'08" EAST, 2627.39 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE SOUTH 89°50'08" EAST ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 26, A DISTANCE OF 2627.39 FEET TO A POINT BEING THE NORTH QUARTER CORNER OF SAID SECTION 26;

THENCE SOUTH 89°49'35" EAST ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 26, A DISTANCE OF 774.19 FEET;

THENCE SOUTH 00°10'25" WEST, A DISTANCE OF 628.12 FEET;

THENCE SOUTH 66°34'31" EAST, A DISTANCE OF 227.90 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 450.00 FEET, A CENTRAL ANGLE OF 15°19'08", AN ARC LENGTH OF 120.31 FEET, THE CHORD OF WHICH BEARS SOUTH 74°14'05" EAST, 119.96 FEET;

THENCE SOUTH 81°53'39" EAST, A DISTANCE OF 538.10 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 514.00 FEET, A CENTRAL ANGLE OF 81°53'39", AN ARC LENGTH OF 734.67 FEET, THE CHORD OF WHICH BEARS SOUTH 40°56'49" EAST, 673.71 FEET;

THENCE SOUTH 00°00'00" EAST, A DISTANCE OF 785.41 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 350.00 FEET, A CENTRAL ANGLE OF 13°52'55", AN ARC LENGTH OF 84.80 FEET, THE CHORD OF WHICH BEARS SOUTH 06°56'27" WEST, 84.59 FEET;

THENCE SOUTH 13°52'55" WEST, A DISTANCE OF 316.96 FEET;

THENCE SOUTH 59°55'49" WEST, A DISTANCE OF 122.45 FEET;

THENCE SOUTH 82°38'24" WEST, A DISTANCE OF 457.60 FEET;

THENCE SOUTH 07°21'36" EAST, A DISTANCE OF 176.84 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 587.50 FEET, A CENTRAL ANGLE OF 10°57'07", AN ARC LENGTH OF 112.30 FEET, THE CHORD OF WHICH BEARS SOUTH 12°50'10" EAST, 112.13 FEET TO A POINT OF TANGENCY;

THENCE SOUTH 18°18'43" EAST, A DISTANCE OF 188.59 FEET;

THENCE SOUTH 44°57'41" EAST, A DISTANCE OF 182.06 FEET;

THENCE SOUTH 14°37'46" EAST, A DISTANCE OF 344.87 FEET;

THENCE NORTH 86°31'36" WEST, A DISTANCE OF 698.89 FEET;

THENCE SOUTH 32°30'10" WEST, A DISTANCE OF 378.39 FEET;

THENCE NORTH 57°28'09" WEST, A DISTANCE OF 107.39 FEET;

THENCE SOUTH 47°08'09" WEST, A DISTANCE OF 196.74 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 177.50 FEET, A CENTRAL ANGLE OF 28°19'16", AN ARC LENGTH OF 87.74 FEET, THE CHORD OF WHICH BEARS NORTH 57°01'29" WEST, 86.85 FEET TO A POINT OF TANGENCY;

THENCE NORTH 71°11'08" WEST, A DISTANCE OF 113.29 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 732.50 FEET, A CENTRAL ANGLE OF 38°47'45", AN ARC LENGTH OF 470.42 FEET, THE CHORD OF WHICH BEARS NORTH 89°35'00" WEST, 482.37 FEET;

THENCE SOUTH 72°01'08" WEST, A DISTANCE OF 85.82 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 177.50 FEET, A CENTRAL ANGLE OF 96°27'19", AN ARC LENGTH OF 288.81 FEET, THE CHORD OF WHICH BEARS SOUTH 23°47'28" WEST, 264.76 FEET TO A POINT OF NON-TANGENCY;

THENCE NORTH 81°21'50" EAST, A DISTANCE OF 115.25 FEET;

THENCE SOUTH 28°38'10" EAST, A DISTANCE OF 250.00 FEET;

THENCE SOUTH 61°25'42" WEST, A DISTANCE OF 116.97 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 222.50 FEET, A CENTRAL ANGLE OF 84°49'08", AN ARC LENGTH OF 368.21 FEET, THE CHORD OF WHICH BEARS SOUTH 24°49'41" WEST, 327.61 FEET TO A POINT OF NON-TANGENCY;

THENCE SOUTH 17°45'46" EAST RADIAL TO AFORESAID CURVE, A DISTANCE OF 115.00 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 337.50 FEET, A CENTRAL ANGLE OF 39°42'49", AN ARC LENGTH OF 233.93 FEET, THE CHORD OF WHICH BEARS NORTH 87°54'22" WEST, 229.28 FEET TO A POINT OF TANGENCY;

THENCE NORTH 68°02'57" WEST, A DISTANCE OF 569.40 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 482.50 FEET, A CENTRAL ANGLE OF 17°38'46", AN ARC LENGTH OF 142.44 FEET, THE CHORD OF WHICH BEARS NORTH 76°52'20" WEST, 141.88 FEET;

THENCE NORTH 85°41'43" WEST, A DISTANCE OF 185.99 FEET TO A POINT OF CURVATURE;



THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 387.50 FEET, A CENTRAL ANGLE OF 34°35'55", AN ARC LENGTH OF 234.00 FEET, THE CHORD OF WHICH BEARS NORTH 68°23'45" WEST, 230.46 FEET TO A POINT OF NON-TANGENCY;

THENCE NORTH 04°18'17" EAST, A DISTANCE OF 157.35 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 202.50 FEET, A CENTRAL ANGLE OF 83°08'43", AN ARC LENGTH OF 293.86 FEET, THE CHORD OF WHICH BEARS NORTH 06°09'41" EAST, 268.75 FEET TO A POINT OF TANGENCY;

THENCE NORTH 36°24'41" WEST, A DISTANCE OF 172.02 FEET;

THENCE NORTH 53°35'19" EAST, A DISTANCE OF 182.48 FEET;

THENCE NORTH 36°24'03" WEST, A DISTANCE OF 111.15 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 362.50 FEET, A CENTRAL ANGLE OF 30°19'15", AN ARC LENGTH OF 191.83 FEET, THE CHORD OF WHICH BEARS NORTH 51°34'18" WEST, 189.60 FEET TO A POINT OF TANGENCY;

THENCE NORTH 66°43'55" WEST, A DISTANCE OF 51.76 FEET;

THENCE NORTH 23°16'05" EAST, A DISTANCE OF 275.00 FEET;

THENCE SOUTH 66°43'55" EAST, A DISTANCE OF 51.76 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 637.50 FEET, A CENTRAL ANGLE OF 30°19'15", AN ARC LENGTH OF 337.36 FEET, THE CHORD OF WHICH BEARS SOUTH 51°34'18" EAST, 333.44 FEET;

THENCE SOUTH 36°24'41" EAST, A DISTANCE OF 106.65 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 164.50 FEET, A CENTRAL ANGLE OF 90°00'00", AN ARC LENGTH OF 258.40 FEET, THE CHORD OF WHICH BEARS SOUTH 08°35'19" WEST, 232.64 FEET;

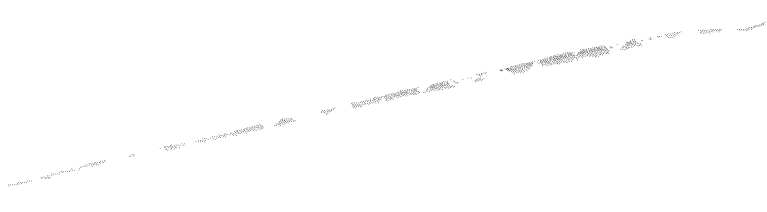
THENCE SOUTH 53°35'19" WEST, A DISTANCE OF 258.29 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 247.50 FEET, A CENTRAL ANGLE OF 48°48'33", AN ARC LENGTH OF 210.84 FEET, THE CHORD OF WHICH BEARS SOUTH 14°47'23" EAST, 204.52 FEET TO A POINT OF NON-TANGENCY;

THENCE SOUTH 48°32'45" EAST, A DISTANCE OF 69.16 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 112.50 FEET, A CENTRAL ANGLE OF 37°08'58", AN ARC LENGTH OF 72.94 FEET, THE CHORD OF WHICH BEARS SOUTH 67°07'14" EAST, 71.67 FEET;

THENCE SOUTH 85°41'43" EAST, A DISTANCE OF 185.99 FEET TO A POINT OF CURVATURE;



THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 737.50 FEET, A CENTRAL ANGLE OF 17°38'48", AN ARC LENGTH OF 227.14 FEET, THE CHORD OF WHICH BEARS SOUTH 76°52'20" EAST, 228.24 FEET;

THENCE SOUTH 68°02'57" EAST, A DISTANCE OF 550.12 FEET;

THENCE SOUTH 21°57'03" WEST, A DISTANCE OF 113.85 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 177.50 FEET, A CENTRAL ANGLE OF 150°48'48", AN ARC LENGTH OF 467.21 FEET, THE CHORD OF WHICH BEARS NORTH 42°46'58" EAST, 343.55 FEET TO A POINT OF NON-TANGENCY;

THENCE SOUTH 61°21'50" WEST, A DISTANCE OF 114.57 FEET;

THENCE NORTH 28°38'10" WEST, A DISTANCE OF 1381.08 FEET;

THENCE NORTH 58°23'40" WEST, A DISTANCE OF 511.82 FEET;

THENCE NORTH 31°07'32" EAST, A DISTANCE OF 701.03 FEET;

THENCE NORTH 60°50'55" WEST, A DISTANCE OF 318.39 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 399.00 FEET, A CENTRAL ANGLE OF 29°09'05", AN ARC LENGTH OF 203.01 FEET, THE CHORD OF WHICH BEARS NORTH 75°25'27" WEST, 200.82 FEET;

THENCE NORTH 90°00'00" WEST, A DISTANCE OF 47.34 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 1240.00 FEET, A CENTRAL ANGLE OF 10°08'36", AN ARC LENGTH OF 218.80 FEET, THE CHORD OF WHICH BEARS SOUTH 84°58'42" WEST, 218.52 FEET TO A POINT OF REVERSE CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 485.00 FEET, A CENTRAL ANGLE OF 45°28'29", AN ARC LENGTH OF 368.79 FEET, THE CHORD OF WHICH BEARS NORTH 77°23'21" WEST, 359.20 FEET;

THENCE NORTH 54°40'08" WEST, A DISTANCE OF 474.85 FEET;

THENCE NORTH 49°40'31" WEST, A DISTANCE OF 474.12 FEET;

THENCE NORTH 52°09'00" WEST, A DISTANCE OF 133.56 FEET;

THENCE NORTH 72°42'41" WEST, A DISTANCE OF 513.21 FEET;

THENCE NORTH 17°37'19" EAST, A DISTANCE OF 1776.72 FEET;

THENCE NORTH 57°07'28" EAST, A DISTANCE OF 178.31 FEET;

THENCE SOUTH 43°40'17" EAST, A DISTANCE OF 159.51 FEET TO A POINT ON THE EAST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 22;

THENCE SOUTH 00°09'41" WEST ALONG SAID EAST LINE, A DISTANCE OF 469.14 FEET TO THE POINT OF BEGINNING;

SAID PARCEL DESCRIBED ABOVE CONTAINING A CALCULATED AREA OF 14,822.639 SQUARE FEET OR 340.281 ACRES, MORE OR LESS

EXCEPTING THEREFROM:

A PARCEL OF LAND BEING A PART OF THE NORTH HALF OF SECTION 26, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 26 AND CONSIDERING THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 26, BEING MONUMENTED AS SHOWN ON THE ATTACHED EXHIBIT TO BEAR SOUTH 89°50'08" EAST, 2627.39 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE SOUTH 59°39'41" EAST, A DISTANCE OF 1695.92 FEET TO A POINT BEING THE POINT OF BEGINNING;

THENCE NORTH 44°33'16" EAST, A DISTANCE OF 296.45 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 397.00 FEET, A CENTRAL ANGLE OF 71°58'60", AN ARC LENGTH OF 498.75 FEET, THE CHORD OF WHICH BEARS SOUTH 79°38'01" EAST, 466.59 FEET TO A POINT OF TANGENCY;

THENCE NORTH 64°22'34" EAST, A DISTANCE OF 153.43 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 283.00 FEET, A CENTRAL ANGLE OF 28°51'15", AN ARC LENGTH OF 132.45 FEET, THE CHORD OF WHICH BEARS NORTH 78°48'11" EAST, 131.05 FEET;

THENCE SOUTH 86°48'12" EAST, A DISTANCE OF 694.77 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 689.00 FEET, A CENTRAL ANGLE OF 20°11'41", AN ARC LENGTH OF 235.80 FEET, THE CHORD OF WHICH BEARS SOUTH 76°40'21" EAST, 234.58 FEET;

THENCE SOUTH 66°34'31" EAST, A DISTANCE OF 72.50 FEET;

THENCE SOUTH 23°25'29" WEST, A DISTANCE OF 170.01 FEET;

THENCE NORTH 70°49'31" WEST, A DISTANCE OF 215.69 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 177.50 FEET, A CENTRAL ANGLE OF 26°08'36", AN ARC LENGTH OF 80.99 FEET, THE CHORD OF WHICH BEARS NORTH 83°53'49" WEST, 80.29 FEET TO A POINT OF NON-TANGENCY;

THENCE SOUTH 21°07'09" EAST, A DISTANCE OF 546.93 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 437.50 FEET, A



CENTRAL ANGLE OF 66°49'51", AN ARC LENGTH OF 510.31 FEET, THE CHORD OF WHICH BEARS SOUTH 54°32'05" EAST, 481.87 FEET;

THENCE SOUTH 87°57'00" EAST, A DISTANCE OF 138.81 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 472.50 FEET, A CENTRAL ANGLE OF 09°47'28", AN ARC LENGTH OF 80.74 FEET, THE CHORD OF WHICH BEARS SOUTH 06°57'05" WEST, 80.65 FEET;

THENCE SOUTH 02°17'54" WEST, A DISTANCE OF 79.65 FEET;

THENCE SOUTH 87°42'06" EAST, A DISTANCE OF 23.82 FEET;

THENCE SOUTH 02°23'45" WEST, A DISTANCE OF 114.90 FEET;

THENCE NORTH 87°57'00" WEST, A DISTANCE OF 152.70 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 712.50 FEET, A CENTRAL ANGLE OF 25°18'59", AN ARC LENGTH OF 314.82 FEET, THE CHORD OF WHICH BEARS NORTH 75°17'31" WEST, 312.27 FEET TO A POINT OF NON-TANGENCY;

THENCE SOUTH 27°06'50" WEST, A DISTANCE OF 596.27 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 508.00 FEET, A CENTRAL ANGLE OF 19°18'38", AN ARC LENGTH OF 171.21 FEET, THE CHORD OF WHICH BEARS NORTH 76°53'58" WEST, 170.40 FEET TO A POINT OF TANGENCY;

THENCE NORTH 86°33'16" WEST, A DISTANCE OF 250.54 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 490.00 FEET, A CENTRAL ANGLE OF 21°54'30", AN ARC LENGTH OF 187.36 FEET, THE CHORD OF WHICH BEARS SOUTH 82°29'29" WEST, 186.22 FEET;

THENCE SOUTH 71°32'14" WEST, A DISTANCE OF 97.13 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 485.00 FEET, A CENTRAL ANGLE OF 47°36'51", AN ARC LENGTH OF 403.05 FEET, THE CHORD OF WHICH BEARS NORTH 84°39'20" WEST, 391.55 FEET;

THENCE NORTH 60°50'55" WEST, A DISTANCE OF 614.85 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 529.00 FEET, A CENTRAL ANGLE OF 29°09'05", AN ARC LENGTH OF 289.15 FEET, THE CHORD OF WHICH BEARS NORTH 75°25'27" WEST, 266.26 FEET;

THENCE NORTH 90°00'00" WEST, A DISTANCE OF 97.63 FEET;

THENCE NORTH 00°00'00" WEST, A DISTANCE OF 254.14 FEET;

THENCE NORTH 74°08'19" EAST, A DISTANCE OF 612.29 FEET;

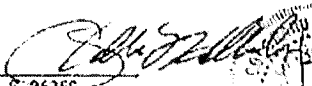
THENCE NORTH 15°51'41" WEST, A DISTANCE OF 699.19 FEET TO THE POINT OF BEGINNING,

SAID EXCEPTED PARCEL CONTAINING A CALCULATED AREA OF 2,906,205 SQUARE FEET OR 66.783 ACRES, MORE OR LESS.

SAID LANTERNS METROPOLITAN DISTRICT NO. 1 CONTAINING A CALCULATED AREA OF 11,828,434 SQUARE FEET OR 271.498

THE LINEAL UNIT USED IN THE PREPARATION OF THIS LEGAL DESCRIPTION IS THE U.S. SURVEY FOOT AS DEFINED BY THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

I, WILLIAM F. HESSELBACH JR., A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING.


WILLIAM F. HESSELBACH JR., P.L.S. 25366
FOR AND ON BEHALF OF
CVL CONSULTANTS OF COLORADO, INC
10333 E. DRY CREEK ROAD, SUITE 240
ENGLEWOOD, CO 80112



DISTRICT COURT, DOUGLAS COUNTY, COLORADO	
Court Address: 4000 Justice Way, Castle Rock, CO, 80109-7546	DATE FILED: June 13, 2019 12:42 PM CASE NUMBER: 2014CV30994
In the Matter of: LANTERNS METROPOLITAN DISTRICT NO 2	
△ COURT USE ONLY △	
Case Number: 2014CV30994 Division: 3 Courtroom:	
Amended Order for Inclusion (Approximately 192 Acres into Lanterns Metropolitan District No. 2)	

The motion/proposed order attached hereto: GRANTED.

Issue Date: 6/13/2019



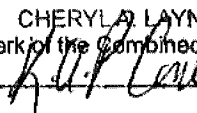
DAVID JOHN STEVENS
District Court Judge

COMBINED COURT
STATE OF COLORADO } ss.
Douglas County.

CERTIFIED to be a full, true and correct copy of the original in my custody.

JUN 14 2019



CHERYLA LAYNE
Clerk of the Combined Court
By  Deputy

DISTRICT COURT, DOUGLAS COUNTY, COLORADO Court Address: 4000 Justice Way Castle Rock, CO 80109 Telephone: (720) 437-6200	
Petitioner: LANTERNS METROPOLITAN DISTRICT NO. 2	▲ COURT USE ONLY ▲
By the Court:	Case Number: 2014CV30994 Division: 3 Courtroom:
AMENDED ORDER FOR INCLUSION (Approximately 192 Acres into Lanterns Metropolitan District No. 2)	

THIS MATTER comes before the Court, on Motion for Amended Order for Inclusion filed by the Board of Directors of Lanterns Metropolitan District No. 2, Town of Castle Rock, Douglas County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. The District's Motion is hereby granted.
2. The legal description attached hereto as **Exhibit A**, corrects the scrivener's errors in the original legal description of the property included in the boundaries of the District and shall replace the legal description attached as Exhibit A to the Order of Inclusion issued by the Court on September 10, 2018 (the "Original Order").
3. The District shall record this Order in accordance with the provisions of Section 32-1-105, C.R.S.
4. This Order shall be effective *nunc pro tunc* to the date of the Original Order.

DONE AND EFFECTIVE THIS ____ DAY OF _____ 2019.

BY THE COURT:

District Court Judge

EXHIBIT A
(Legal Description of Inclusion Property)

LEGAL DESCRIPTION – THE LANTERNS METROPOLITAN DISTRICT NO. 2

FOUR (4) PARCELS OF LAND BEING PARTS OF SECTION 26 AND PARTS OF THE EAST HALF OF SECTION 27, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 26 AND CONSIDERING THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 26, BEING MONUMENTED AS SHOWN ON THE ATTACHED EXHIBIT TO BEAR SOUTH 89°50'08" EAST, 2627.39 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE SOUTH 33°26'58" WEST, A DISTANCE OF 1444.94 FEET TO A POINT BEING THE POINT OF BEGINNING;

THENCE SOUTH 72°42'41" EAST, A DISTANCE OF 513.21 FEET;

THENCE SOUTH 52°09'00" EAST, A DISTANCE OF 133.56 FEET;

THENCE SOUTH 49°40'31" EAST, A DISTANCE OF 474.12 FEET;

THENCE SOUTH 54°40'06" EAST, A DISTANCE OF 474.85 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 465.00 FEET, A CENTRAL ANGLE OF 45°26'29", AN ARC LENGTH OF 368.79 FEET, THE CHORD OF WHICH BEARS SOUTH 77°23'21" EAST, 359.20 FEET TO A POINT OF REVERSE CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1240.00 FEET, A CENTRAL ANGLE OF 10°06'36", AN ARC LENGTH OF 218.80 FEET, THE CHORD OF WHICH BEARS NORTH 84°56'42" EAST, 218.52 FEET;

THENCE SOUTH 90°00'00" EAST, A DISTANCE OF 47.34 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 399.00 FEET, A CENTRAL ANGLE OF 29°09'05", AN ARC LENGTH OF 203.01 FEET, THE CHORD OF WHICH BEARS SOUTH 75°25'27" EAST, 200.82 FEET;

THENCE SOUTH 60°50'55" EAST, A DISTANCE OF 318.39 FEET;

THENCE SOUTH 31°07'32" WEST, A DISTANCE OF 701.03 FEET;

THENCE SOUTH 58°23'40" EAST, A DISTANCE OF 511.82 FEET;

THENCE SOUTH 28°38'10" EAST, A DISTANCE OF 1381.08 FEET;

THENCE NORTH 61°21'50" EAST, A DISTANCE OF 114.57 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 177.50 FEET, A CENTRAL ANGLE OF 150°48'48", AN ARC LENGTH OF 467.21 FEET, THE CHORD OF WHICH BEARS SOUTH 42°46'58" WEST, 343.55 FEET TO A POINT OF NON-TANGENCY;

THENCE NORTH 21°57'03" EAST, A DISTANCE OF 113.95 FEET;

THENCE NORTH 68°02'57" WEST, A DISTANCE OF 550.12 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 737.50 FEET, A CENTRAL ANGLE OF 17°38'46", AN ARC LENGTH OF 227.14 FEET, THE CHORD OF WHICH BEARS NORTH 76°52'20" WEST, 226.24 FEET;

THENCE NORTH 85°41'43" WEST, A DISTANCE OF 185.99 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 112.50 FEET, A CENTRAL ANGLE OF 37°08'58", AN ARC LENGTH OF 72.94 FEET, THE CHORD OF WHICH BEARS NORTH 67°07'14" WEST, 71.67 FEET;

THENCE NORTH 48°32'45" WEST, A DISTANCE OF 69.16 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 247.50 FEET, A CENTRAL ANGLE OF 48°48'33", AN ARC LENGTH OF 210.84 FEET, THE CHORD OF WHICH BEARS NORTH 14°47'23" WEST, 204.52 FEET TO A POINT OF NON-TANGENCY;

THENCE NORTH 53°35'19" EAST, A DISTANCE OF 258.29 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 184.50 FEET, A CENTRAL ANGLE OF 90°00'00", AN ARC LENGTH OF 258.40 FEET, THE CHORD OF WHICH BEARS NORTH 08°35'19" EAST, 232.64 FEET;

THENCE NORTH 36°24'41" WEST, A DISTANCE OF 106.65 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 637.50 FEET, A CENTRAL ANGLE OF 30°19'15", AN ARC LENGTH OF 337.36 FEET, THE CHORD OF WHICH BEARS NORTH 51°34'18" WEST, 333.44 FEET;

THENCE NORTH 66°43'55" WEST, A DISTANCE OF 51.76 FEET;

THENCE SOUTH 23°16'05" WEST, A DISTANCE OF 275.00 FEET;

THENCE NORTH 66°43'55" WEST, A DISTANCE OF 328.72 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 637.50 FEET, A CENTRAL ANGLE OF 19°05'37", AN ARC LENGTH OF 212.45 FEET, THE CHORD OF WHICH BEARS NORTH 57°11'07" WEST, 211.46 FEET;

THENCE NORTH 47°38'18" WEST, A DISTANCE OF 236.30 FEET;

THENCE NORTH 42°21'42" EAST, A DISTANCE OF 115.00 FEET;

THENCE NORTH 47°38'18" WEST, A DISTANCE OF 145.18 FEET;

THENCE SOUTH 42°21'42" WEST, A DISTANCE OF 115.00 FEET;

THENCE NORTH 47°38'18" WEST, A DISTANCE OF 118.07 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 862.50 FEET, A CENTRAL ANGLE OF 26°47'48", AN ARC LENGTH OF 309.84 FEET, THE CHORD OF WHICH BEARS NORTH 61°02'12" WEST, 307.03 FEET;

THENCE NORTH 74°26'06" WEST, A DISTANCE OF 69.76 FEET;

THENCE NORTH 15°33'54" EAST, A DISTANCE OF 160.00 FEET;

THENCE NORTH 74°26'06" WEST, A DISTANCE OF 114.81 FEET;

THENCE NORTH 15°33'54" EAST, A DISTANCE OF 444.33 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 887.50 FEET, A CENTRAL ANGLE OF 07°22'16", AN ARC LENGTH OF 114.18 FEET, THE CHORD OF WHICH BEARS NORTH 59°21'03" WEST, 114.10 FEET;

THENCE NORTH 34°20'05" EAST RADIAL TO AFORESAID CURVE, A DISTANCE OF 115.00 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 772.50 FEET, A CENTRAL ANGLE OF 05°58'22", AN ARC LENGTH OF 80.53 FEET, THE CHORD OF WHICH BEARS NORTH 52°40'44" WEST, 80.49 FEET OF CUSP;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 426.50 FEET, A CENTRAL ANGLE OF 15°30'37", AN ARC LENGTH OF 115.46 FEET, THE CHORD OF WHICH BEARS SOUTH 37°15'10" WEST, 115.10 FEET TO A POINT OF NON-TANGENCY;

THENCE NORTH 46°49'07" WEST, A DISTANCE OF 621.57 FEET;

THENCE NORTH 00°00'00" EAST, A DISTANCE OF 369.04 FEET TO THE POINT OF BEGINNING,

SAID PARCEL A CONTAINING A CALCULATED AREA OF 3,184,418 SQUARE FEET OR 73.104 ACRES, MORE OR LESS.

PARCEL B

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 26 AND CONSIDERING THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 26, BEING MONUMENTED AS SHOWN ON THE ATTACHED EXHIBIT TO BEAR SOUTH 89°50'08" EAST, 2627.39 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE SOUTH 59°39'41" EAST, A DISTANCE OF 1695.92 FEET TO A POINT BEING THE POINT OF BEGINNING;

THENCE NORTH 44°33'16" EAST, A DISTANCE OF 296.45 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 397.00 FEET, A CENTRAL ANGLE OF 71°58'50", AN ARC LENGTH OF 498.75 FEET, THE CHORD OF WHICH BEARS SOUTH 79°38'01" EAST, 466.59 FEET TO A POINT OF TANGENCY;

THENCE NORTH 64°22'34" EAST, A DISTANCE OF 153.43 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 263.00 FEET, A CENTRAL ANGLE OF 28°51'15", AN ARC LENGTH OF 132.45 FEET, THE CHORD OF WHICH BEARS NORTH 78°48'11" EAST, 131.05 FEET;

THENCE SOUTH 86°46'12" EAST, A DISTANCE OF 694.77 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 689.00 FEET, A CENTRAL ANGLE OF 20°11'41", AN ARC LENGTH OF 235.80 FEET, THE CHORD OF WHICH BEARS SOUTH 76°40'21" EAST, 234.58 FEET;

THENCE SOUTH 66°34'31" EAST, A DISTANCE OF 72.50 FEET;

THENCE SOUTH 23°25'29" WEST, A DISTANCE OF 170.01 FEET;

THENCE NORTH 70°49'31" WEST, A DISTANCE OF 215.69 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 177.50 FEET, A CENTRAL ANGLE OF 26°08'36", AN ARC LENGTH OF 80.99 FEET, THE CHORD OF WHICH BEARS NORTH 83°53'49" WEST, 80.29 FEET TO A POINT OF NON-TANGENCY;

THENCE SOUTH 21°07'09" EAST, A DISTANCE OF 546.93 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 437.50 FEET, A CENTRAL ANGLE OF 66°49'51", AN ARC LENGTH OF 510.31 FEET, THE CHORD OF WHICH BEARS SOUTH 54°32'05" EAST, 481.87 FEET;

THENCE SOUTH 87°57'00" EAST, A DISTANCE OF 136.81 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 472.50 FEET, A CENTRAL ANGLE OF 09°47'28", AN ARC LENGTH OF 80.74 FEET, THE CHORD OF WHICH BEARS SOUTH 06°57'05" WEST, 80.65 FEET;

THENCE SOUTH 02°17'54" WEST, A DISTANCE OF 79.65 FEET;

THENCE SOUTH 87°42'06" EAST, A DISTANCE OF 23.82 FEET;

THENCE SOUTH 02°23'45" WEST, A DISTANCE OF 114.90 FEET;

THENCE NORTH 87°57'00" WEST, A DISTANCE OF 152.70 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 712.50 FEET, A CENTRAL ANGLE OF 25°18'59", AN ARC LENGTH OF 314.82 FEET, THE CHORD OF WHICH BEARS NORTH 75°17'31" WEST, 312.27 FEET TO A POINT OF NON-TANGENCY;

THENCE SOUTH 27°08'50" WEST, A DISTANCE OF 596.27 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 508.00 FEET, A CENTRAL ANGLE OF 19°18'36", AN ARC LENGTH OF 171.21 FEET, THE CHORD OF WHICH BEARS NORTH 76°53'58" WEST, 170.40 FEET TO A POINT OF TANGENCY;

THENCE NORTH 86°33'16" WEST, A DISTANCE OF 250.54 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 490.00 FEET, A CENTRAL ANGLE OF 21°54'30", AN ARC LENGTH OF 187.36 FEET, THE CHORD OF WHICH BEARS SOUTH 82°29'29" WEST, 186.22 FEET;

THENCE SOUTH 71°32'14" WEST, A DISTANCE OF 97.13 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 485.00 FEET, A CENTRAL ANGLE OF 47°36'51", AN ARC LENGTH OF 403.05 FEET, THE CHORD OF WHICH BEARS NORTH 84°39'20" WEST, 391.55 FEET;

THENCE NORTH 60°50'55" WEST, A DISTANCE OF 614.85 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 529.00 FEET, A CENTRAL ANGLE OF 29°09'05", AN ARC LENGTH OF 269.15 FEET, THE CHORD OF WHICH BEARS NORTH 75°25'27" WEST, 266.26 FEET;

THENCE NORTH 90°00'00" WEST, A DISTANCE OF 97.63 FEET;

THENCE NORTH 00°00'00" WEST, A DISTANCE OF 254.14 FEET;

THENCE NORTH 74°08'19" EAST, A DISTANCE OF 612.29 FEET;

THENCE NORTH 15°51'41" WEST, A DISTANCE OF 699.19 FEET TO THE POINT OF BEGINNING,

SAID PARCEL B CONTAINING A CALCULATED AREA OF 2,996,205 SQUARE FEET OR 68.783 ACRES, MORE OR LESS.

PARCEL C

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 26 AND CONSIDERING THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 26, BEING MONUMENTED AS SHOWN ON THE ATTACHED EXHIBIT TO BEAR SOUTH 89°50'08" EAST, 2627.39 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE SOUTH 33°06'06" EAST, A DISTANCE OF 4607.56 FEET TO A POINT BEING THE POINT OF BEGINNING;

THENCE NORTH 72°01'08" EAST, A DISTANCE OF 85.82 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 732.50 FEET, A

CENTRAL ANGLE OF 36°47'45", AN ARC LENGTH OF 470.42 FEET, THE CHORD OF WHICH BEARS SOUTH 89°35'00" EAST, 462.37 FEET;

THENCE SOUTH 71°11'08" EAST, A DISTANCE OF 113.29 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 177.50 FEET, A CENTRAL ANGLE OF 28°19'16", AN ARC LENGTH OF 87.74 FEET, THE CHORD OF WHICH BEARS SOUTH 57°01'29" EAST, 86.85 FEET TO A POINT OF NON-TANGENCY;

THENCE NORTH 47°08'09" EAST RADIAL TO AFORESAID CURVE, A DISTANCE OF 196.74 FEET;

THENCE SOUTH 57°28'09" EAST, A DISTANCE OF 107.39 FEET,

THENCE SOUTH 00°00'00" EAST, A DISTANCE OF 619.94 FEET;

THENCE NORTH 90°00'00" WEST, A DISTANCE OF 255.88 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 337.50 FEET, A CENTRAL ANGLE OF 92°53'18", AN ARC LENGTH OF 647.16 FEET, THE CHORD OF WHICH BEARS SOUTH 47°00'19" WEST, 489.18 FEET TO A POINT OF TANGENCY;

THENCE NORTH 86°33'02" WEST, A DISTANCE OF 254.21 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 425.00 FEET, A CENTRAL ANGLE OF 25°51'16", AN ARC LENGTH OF 191.78 FEET, THE CHORD OF WHICH BEARS NORTH 73°38'00" WEST, 190.16 FEET TO A POINT OF NON-TANGENCY;

THENCE NORTH 17°45'48" WEST, A DISTANCE OF 115.00 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 222.50 FEET, A CENTRAL ANGLE OF 94°49'06", AN ARC LENGTH OF 368.21 FEET, THE CHORD OF WHICH BEARS NORTH 24°49'41" EAST, 327.61 FEET TO A POINT OF NON-TANGENCY;

THENCE NORTH 61°25'42" EAST, A DISTANCE OF 116.97 FEET;

THENCE NORTH 28°38'10" WEST, A DISTANCE OF 250.00 FEET;

THENCE SOUTH 61°21'50" WEST, A DISTANCE OF 115.25 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 177.50 FEET, A CENTRAL ANGLE OF 96°27'19", AN ARC LENGTH OF 298.81 FEET, THE CHORD OF WHICH BEARS NORTH 23°47'28" EAST, 264.76 FEET TO THE POINT OF BEGINNING,

SAID PARCEL C CONTAINING A CALCULATED AREA OF 833,048 SQUARE FEET OR 19.124 ACRES, MORE OR LESS.

PARCEL D

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 26 AND CONSIDERING THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 26, BEING MONUMENTED AS SHOWN ON THE ATTACHED EXHIBIT TO BEAR SOUTH 89°50'08" EAST, 2627.39 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE SOUTH 63°12'10" EAST, A DISTANCE OF 5913.45 FEET TO A POINT BEING THE EAST QUARTER CORNER OF SAID SECTION 26, SAID POINT BEING THE POINT OF BEGINNING;

THENCE SOUTH 00°29'22" EAST ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 26, A DISTANCE OF 704.27 FEET;

THENCE NORTH 90°00'00" WEST, A DISTANCE OF 208.68 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 365.50 FEET, A CENTRAL ANGLE OF 21°14'27", AN ARC LENGTH OF 136.50 FEET, THE CHORD OF WHICH BEARS NORTH 79°22'47" WEST, 134.72 FEET TO A POINT OF NON-TANGENCY;

THENCE SOUTH 46°10'57" WEST, A DISTANCE OF 149.82 FEET;

THENCE SOUTH 75°22'14" WEST, A DISTANCE OF 475.60 FEET;

THENCE NORTH 14°37'46" WEST, A DISTANCE OF 344.87 FEET;

THENCE NORTH 44°57'41" WEST, A DISTANCE OF 182.08 FEET;

THENCE NORTH 18°18'43" WEST, A DISTANCE OF 188.59 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 587.50 FEET, A CENTRAL ANGLE OF 10°57'07", AN ARC LENGTH OF 112.30 FEET, THE CHORD OF WHICH BEARS NORTH 12°50'10" WEST, 112.13 FEET;

THENCE NORTH 07°21'36" WEST, A DISTANCE OF 176.84 FEET;

THENCE NORTH 82°38'24" EAST, A DISTANCE OF 457.60 FEET;

THENCE NORTH 59°55'49" EAST, A DISTANCE OF 122.45 FEET;

THENCE NORTH 13°52'55" EAST, A DISTANCE OF 316.96 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 350.00 FEET, A CENTRAL ANGLE OF 13°52'55", AN ARC LENGTH OF 84.80 FEET, THE CHORD OF WHICH BEARS NORTH 06°56'27" EAST, 84.59 FEET;

THENCE NORTH 00°00'00" EAST, A DISTANCE OF 176.75 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 122.50 FEET, A CENTRAL ANGLE OF 61°34'04", AN ARC LENGTH OF 131.63 FEET, THE CHORD OF WHICH BEARS NORTH 73°52'51" EAST, 125.39 FEET;

THENCE NORTH 43°05'49" EAST, A DISTANCE OF 52.08 FEET;

THENCE SOUTH 46°54'11" EAST, A DISTANCE OF 175.00 FEET;

THENCE NORTH 43°05'49" EAST, A DISTANCE OF 75.03 FEET TO A POINT ON A CURVE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 447.50 FEET, A CENTRAL ANGLE OF 09°37'52", AN ARC LENGTH OF 75.22 FEET, THE CHORD OF WHICH BEARS NORTH 38°16'53" EAST, 75.13 FEET TO A POINT OF TANGENCY;

THENCE NORTH 89°28'45" EAST, A DISTANCE OF 191.20 FEET TO A POINT ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 26;


THENCE SOUTH 00°31'15" EAST ALONG SAID EAST LINE, A DISTANCE OF 780.21 FEET TO THE POINT OF BEGINNING,

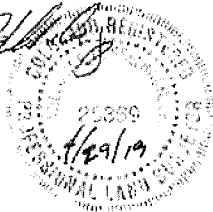
SAID PARCEL D CONTAINING A CALCULATED AREA OF 1,352,117 SQUARE FEET OR 31.040 ACRES, MORE OR LESS.

SAID LANTERNS METROPOLITAN DISTRICT NO. 2 CONTAINING A CALCULATED AREA OF 8,365,789 SQUARE FEET OR 192.051 ACRES, MORE OR LESS.

THE LINEAL UNIT USED IN THE PREPARATION OF THIS LEGAL DESCRIPTION IS THE U.S. SURVEY FOOT AS DEFINED BY THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

I, WILLIAM F. HESSELBACH JR., A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING.


WILLIAM F. HESSELBACH JR., P.L.S. 25369
FOR AND ON BEHALF OF
CVL CONSULTANTS OF COLORADO, INC.
10333 E. DRY CREEK ROAD, SUITE 240
ENGLEWOOD, CO 80112



DISTRICT COURT, DOUGLAS COUNTY, COLORADO	
Court Address: 4000 Justice Way, Castle Rock, CO, 80109-7546	DATE FILED: June 13, 2019 12:44 PM CASE NUMBER: 2014CV30995
In the Matter of: LANTERNS METROPOLITAN DISTRICT NO 3	
△ COURT USE ONLY △	
Case Number: 2014CV30995 Division: 3 Courtroom:	
Amended Order for Inclusion (Approximately 141 Acres into Lanterns Metropolitan District No. 3)	

The motion/proposed order attached hereto: GRANTED.

Issue Date: 6/13/2019

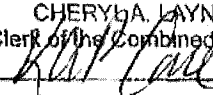


DAVID JOHN STEVENS
District Court Judge

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

JUN 14 2019



CHERYLA LAYNE
Clerk of the Combined Court
By  Deputy

DISTRICT COURT, DOUGLAS COUNTY, COLORADO Court Address: 4000 Justice Way Castle Rock, CO 80109 Telephone: (720) 437-6200	
Petitioner: LANTERNS METROPOLITAN DISTRICT NO. 3	▲ COURT USE ONLY ▲
By the Court:	Case Number: 2014CV30995 Division: 3 Courtroom:
AMENDED ORDER FOR INCLUSION (Approximately 141 Acres into Lanterns Metropolitan District No. 3)	

THIS MATTER comes before the Court, on Motion for Amended Order for Inclusion filed by the Board of Directors of Lanterns Metropolitan District No. 3, Town of Castle Rock, Douglas County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. The District's Motion is hereby granted.
2. The legal description attached hereto as **Exhibit A**, corrects the scrivener's errors in the original legal description of the property included in the boundaries of the District and shall replace the legal description attached as Exhibit A to the Order of Inclusion issued by the Court on September 10, 2018 (the "Original Order").
3. The District shall record this Order in accordance with the provisions of Section 32-1-105, C.R.S.
4. This Order shall be effective *nunc pro tunc* to the date of the Original Order.

DONE AND EFFECTIVE THIS ____ DAY OF _____ 2019.

BY THE COURT:

District Court Judge

EXHIBIT A
(Legal Description of Inclusion Property)

LEGAL DESCRIPTION – THE LANTERNS METROPOLITAN DISTRICT NO. 3

TWO (2) PARCELS OF LAND BEING PARTS OF SECTION 26 AND PARTS OF THE EAST HALF OF SECTION 27, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 26 AND CONSIDERING THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 26, BEING MONUMENTED AS SHOWN ON THE ATTACHED EXHIBIT TO BEAR SOUTH 89°50'08" EAST, 2627.39 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE SOUTH 26°49'48" WEST, A DISTANCE OF 1764.63 FEET TO A POINT BEING THE POINT OF BEGINNING;

THENCE SOUTH 46°49'07" EAST, A DISTANCE OF 621.57 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 426.50 FEET, A CENTRAL ANGLE OF 15°30'37", AN ARC LENGTH OF 115.46 FEET, THE CHORD OF WHICH BEARS NORTH 37°15'10" EAST, 115.10 FEET TO A POINT OF CUSP;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 772.50 FEET, A CENTRAL ANGLE OF 05°58'22", AN ARC LENGTH OF 80.53 FEET, THE CHORD OF WHICH BEARS SOUTH 52°40'44" EAST, 80.49 FEET TO A POINT OF NON-TANGENCY;

THENCE SOUTH 34°20'05" WEST, A DISTANCE OF 115.00 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 887.50 FEET, A CENTRAL ANGLE OF 07°22'16", AN ARC LENGTH OF 114.18 FEET, THE CHORD OF WHICH BEARS SOUTH 59°21'03" EAST, 114.10 FEET TO A POINT OF NON-TANGENCY;

THENCE SOUTH 15°33'54" WEST, A DISTANCE OF 444.33 FEET;

THENCE SOUTH 74°26'06" EAST, A DISTANCE OF 114.81 FEET;

THENCE SOUTH 15°33'54" WEST, A DISTANCE OF 160.00 FEET;

THENCE SOUTH 74°26'06" EAST, A DISTANCE OF 69.76 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 662.50 FEET, A CENTRAL ANGLE OF 26°47'48", AN ARC LENGTH OF 309.84 FEET, THE CHORD OF WHICH BEARS SOUTH 61°02'12" EAST, 307.03 FEET TO A POINT OF TANGENCY;

THENCE SOUTH 47°38'18" EAST, A DISTANCE OF 118.07 FEET;

THENCE NORTH 42°21'42" EAST, A DISTANCE OF 115.00 FEET;

THENCE SOUTH 47°38'18" EAST, A DISTANCE OF 145.18 FEET;

THENCE SOUTH 42°21'42" WEST, A DISTANCE OF 115.00 FEET;

THENCE SOUTH 47°38'18" EAST, A DISTANCE OF 236.30 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 637.50 FEET, A CENTRAL ANGLE OF 19°05'37", AN ARC LENGTH OF 212.45 FEET, THE CHORD OF WHICH BEARS SOUTH 57°11'07" EAST, 211.46 FEET;

THENCE SOUTH 66°43'55" EAST, A DISTANCE OF 380.48 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 362.50 FEET, A CENTRAL ANGLE OF 30°19'15", AN ARC LENGTH OF 191.83 FEET, THE CHORD OF WHICH BEARS SOUTH 51°34'18" EAST, 189.60 FEET TO A POINT OF NON-TANGENCY;

THENCE SOUTH 36°24'03" EAST, A DISTANCE OF 111.15 FEET;

THENCE SOUTH 53°35'19" WEST, A DISTANCE OF 192.48 FEET;

THENCE SOUTH 36°24'41" EAST, A DISTANCE OF 172.02 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 202.50 FEET, A CENTRAL ANGLE OF 83°08'43", AN ARC LENGTH OF 293.86 FEET, THE CHORD OF WHICH BEARS SOUTH 05°09'41" WEST, 268.75 FEET TO A POINT OF NON-TANGENCY;

THENCE SOUTH 04°18'17" WEST, A DISTANCE OF 300.78 FEET;

THENCE SOUTH 67°30'00" WEST, A DISTANCE OF 621.51 FEET;

THENCE NORTH 90°00'00" WEST, A DISTANCE OF 974.68 FEET;

THENCE NORTH 45°00'00" WEST, A DISTANCE OF 336.58 FEET;

THENCE NORTH 00°00'00" EAST, A DISTANCE OF 369.90 FEET;

THENCE NORTH 45°00'00" WEST, A DISTANCE OF 614.10 FEET;

THENCE NORTH 10°38'37" EAST, A DISTANCE OF 1653.06 FEET;

THENCE NORTH 00°00'00" EAST, A DISTANCE OF 516.19 FEET TO THE POINT OF BEGINNING,

SAID PARCEL A CONTAINING A CALCULATED AREA OF 3,987,219 SQUARE FEET OR 91.534 ACRES, MORE OR LESS.

PARCEL B

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 26 AND CONSIDERING THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 26, BEING MONUMENTED AS SHOWN ON THE ATTACHED EXHIBIT TO BEAR SOUTH 89°50'08" EAST, 2627.39 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO.

THENCE SOUTH 89°50'08" EAST ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 26, A DISTANCE OF 2627.39 FEET TO A POINT BEING THE NORTH QUARTER CORNER OF SAID SECTION 26;

THENCE SOUTH 89°49'35" EAST ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 26, A DISTANCE OF 774.20 FEET TO A POINT BEING THE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 89°49'35" EAST ALONG SAID NORTH LINE, A DISTANCE OF 1852.74 FEET TO A POINT BEING THE NORTHEAST CORNER OF SAID SECTION 26;

THENCE SOUTH 00°31'15" EAST ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 26, A DISTANCE OF 1870.38 FEET;

THENCE SOUTH 89°28'45" WEST, A DISTANCE OF 191.18 FEET TO A POINT OF NON-TANGENT CURVATURE,

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 447.50 FEET, A CENTRAL ANGLE OF 09°37'52", AN ARC LENGTH OF 75.22 FEET, THE CHORD OF WHICH BEARS SOUTH 38°18'53" WEST, 75.13 FEET TO A POINT OF TANGENCY;

THENCE SOUTH 43°05'49" WEST, A DISTANCE OF 75.03 FEET;

THENCE NORTH 46°54'11" WEST, A DISTANCE OF 175.00 FEET;

THENCE SOUTH 43°05'49" WEST, A DISTANCE OF 52.08 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 122.50 FEET, A CENTRAL ANGLE OF 61°34'04", AN ARC LENGTH OF 131.63 FEET, THE CHORD OF WHICH BEARS SOUTH 73°52'51" WEST, 125.39 FEET TO A POINT OF NON-TANGENCY;

THENCE NORTH 00°00'00" EAST, A DISTANCE OF 608.65 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 514.00 FEET, A CENTRAL ANGLE OF 81°53'39", AN ARC LENGTH OF 734.67 FEET, THE CHORD OF WHICH BEARS NORTH 40°56'49" WEST, 673.71 FEET;

THENCE NORTH 81°53'39" WEST, A DISTANCE OF 538.10 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 450.00 FEET, A CENTRAL ANGLE OF 15°19'08", AN ARC LENGTH OF 120.31 FEET, THE CHORD OF WHICH BEARS NORTH 74°14'05" WEST, 119.96 FEET;

THENCE NORTH 66°34'31" WEST, A DISTANCE OF 227.90 FEET;

THENCE NORTH 00°10'25" EAST, A DISTANCE OF 628.12 FEET TO THE POINT OF BEGINNING.

SAID PARCEL B CONTAINING A CALCULATED AREA OF 2,140,252 SQUARE FEET OR 49.133 ACRES, MORE OR LESS.

SAID LANTERNS METROPOLITAN DISTRICT NO. 3 CONTAINING A CALCULATED AREA OF 6,127,471 SQUARE FEET OR 140.688 ACRES, MORE OR LESS.

THE LINEAL UNIT USED IN THE PREPARATION OF THIS LEGAL DESCRIPTION IS THE U.S. SURVEY FOOT AS DEFINED BY THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

I, WILLIAM F. HESSELBACH JR., A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING.

WILLIAM F. HESSELBACH JR., P.L.S. 25369
FOR AND ON BEHALF OF
CVL CONSULTANTS OF COLORADO, INC.
10333 E. DRY CREEK ROAD, SUITE 240
ENGLEWOOD, CO 80112

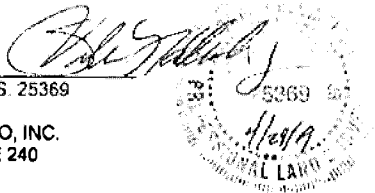


EXHIBIT B

2018 Applications for Exemptions from Audit

APPLICATION FOR EXEMPTION FROM AUDIT**LONG FORM**NAME OF GOVERNMENT
ADDRESSLanterns Metropolitan District No. 1
8390 E Crescent Parkway
Suite 300
Greenwood Village, CO 80111For the Year Ended
12/31/2018
or fiscal year ended:CONTACT PERSON
PHONE
EMAIL
FAXCarrie Bartow
303-779-5710
Carrie.Bartow@claconnect.com
303-779-0348**CERTIFICATION OF PREPARER**

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

NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED
RELATIONSHIP TO ENTITYCarrie Bartow
Accountant for the District
CliftonLarsonAllen LLP
8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
303-779-5710
8-Mar-19
CPA Firm providing accounting services to the District**PREPARER** (SIGNATURE REQUIRED)**SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT**

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

YES	NO
<input type="checkbox"/>	<input checked="" type="checkbox"/>

If Yes, date filed:

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund*	Capital Project Fund*		Fund*	Fund*	
Assets				Assets			
1-1	Cash & Cash Equivalents	\$ 1,494	\$ -	Cash & Cash Equivalents	\$ -	\$ -	
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ -	\$ -	Receivables	\$ -	\$ -	
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
	All Other Assets [specify...]			Other Current Assets	\$ -	\$ -	
1-5	Property Tax Receivable	\$ 68	\$ -				
1-6	Prepaid Expenses	\$ 3,358	\$ -				
1-7		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ -	\$ -	
1-8		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -	
1-9		\$ -	\$ -		\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ 4,920	\$ -	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ -	\$ -	
1-12	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	
1-13	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 4,920	\$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -	
Liabilities				Liabilities			
1-14	Accounts Payable	\$ 21,247	\$ 522	Accounts Payable	\$ -	\$ -	
1-15	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -	
1-16	Accrued Interest Payable	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -	
1-17	Due to Other Entities or Funds	\$ -	\$ -	Due to Other Entities or Funds	\$ -	\$ -	
1-18	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -	
1-19	TOTAL CURRENT LIABILITIES	\$ 21,247	\$ 522	TOTAL CURRENT LIABILITIES	\$ -	\$ -	
1-20	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -	
1-21		\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -	
1-22		\$ -	\$ -		\$ -	\$ -	
1-23		\$ -	\$ -		\$ -	\$ -	
1-24		\$ -	\$ -		\$ -	\$ -	
1-25		\$ -	\$ -		\$ -	\$ -	
1-26		\$ -	\$ -		\$ -	\$ -	
1-27		\$ -	\$ -		\$ -	\$ -	
1-28	(add lines 1-19 through 1-27) TOTAL LIABILITIES	\$ 21,247	\$ 522	(add lines 1-19 through 1-27) TOTAL LIABILITIES	\$ -	\$ -	
1-29	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 68	\$ -	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	
Fund Balance				Net Position			
1-30	Nonspendable Prepaid	\$ 3,358	\$ -	Net Investment in Capital Assets	\$ -	\$ -	
1-31	Nonspendable Inventory	\$ -	\$ -				
1-32	Restricted [specify...]	\$ -	\$ -	Emergency Reserves	\$ -	\$ -	
1-33	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-34	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -	
1-35	Unassigned:	\$ (19,753)	\$ (522)	Undesignated/Unreserved/Unrestricted	\$ -	\$ -	
1-36	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL FUND BALANCE	\$ (16,395)	\$ (522)	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL NET POSITION	\$ -	\$ -	
1-37	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 4,920	\$ -	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ -	\$ -	

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund*	Capital Project Fund*		Fund*	Fund*	
Tax Revenue				Tax Revenue			
2-1	Property [include mills levied in Question 10-6]	\$ 41	\$ -	Property [include mills levied in Question 10-6]	\$ -	\$ -	
2-2	Specific Ownership	\$ 4	\$ -	Specific Ownership	\$ -	\$ -	
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -	
2-4	Other Tax Revenue [specify...]:	\$ -	\$ -	Other Tax Revenue [specify...]:	\$ -	\$ -	
2-5		\$ -	\$ -		\$ -	\$ -	
2-6		\$ -	\$ -		\$ -	\$ -	
2-7		\$ -	\$ -		\$ -	\$ -	
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ 45	\$ -	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ -	\$ -	
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -	
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -	
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	Conservation Trust Funds (Lottery)	\$ -	\$ -	
2-12	Community Development Block Grant	\$ -	\$ -	Community Development Block Grant	\$ -	\$ -	
2-13	Fire & Police Pension	\$ -	\$ -	Fire & Police Pension	\$ -	\$ -	
2-14	Grants	\$ -	\$ -	Grants	\$ -	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ -	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ -	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-22	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
2-23		\$ -	\$ -		\$ -	\$ -	
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 45	\$ -	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -	
Other Financing Sources				Other Financing Sources			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Developer Advances	\$ 61,614	\$ 38,810	Developer Advances	\$ -	\$ -	
2-27	Other [specify...]:	\$ -	\$ -	Other [specify...]:	\$ -	\$ -	
2-28	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$ 61,614	\$ 38,810	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	GRAND TOTALS
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 61,659	\$ 38,810	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ -	\$ -	\$ 100,469

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

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund*	Capital Project Fund*		Fund*	Fund*	
Expenditures				Expenditures			
3-1	General Government	\$ 80,936	\$ 40,402	General Operating & Administrative	\$ -	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ -	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ -	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Transfers to other districts	\$ -	\$ -	Utilities	\$ -	\$ -	
3-11	Other [specify...]:	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other [specify...]	\$ -	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
Debt Service				Debt Service			
3-15	Principal	\$ -	\$ -	Principal	\$ -	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ -	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
3-21		\$ -	\$ -		\$ -	\$ -	
3-22	Add lines 3-1 through 3-21 TOTAL EXPENDITURES	\$ 80,936	\$ 40,402	Add lines 3-1 through 3-21 TOTAL EXPENDITURES	\$ -	\$ -	GRAND TOTAL
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	\$ 121,338
3-24	Interfund Transfers Out	\$ -	\$ -	Other [specify...][enter negative for expense]	\$ -	\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation	\$ -	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -	
3-29	(Add lines 3-23 through 3-28) TOTAL TRANSFERS AND OTHER EXPENDITURES	\$ -	\$ -	(Line 3-26, plus line 3-27, less line 3-24, less line 3-25) TOTAL GAAP RECONCILING ITEMS	\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, plus line 3-29	\$ (19,277)	\$ (1,592)	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, plus line 3-23, less line 3-24	\$ -	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ 2,882	\$ 1,069	Net Position, January 1 from December 31 prior year report	\$ -	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31 Sum of Line 3-30, 3-31, and 3-32 This total should be the same as line 1-36.	\$ (16,395)	\$ (523)	Net Position, December 31 Line 3-30 plus line 3-31 This total should be the same as line 1-36.	\$ -	\$ -	

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

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

YES NO

Please use this space to provide any explanations or comments:

4-1	Does the entity have outstanding debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4-2	Is the debt repayment schedule attached? If no, MUST explain: The Developer Advances do not have a specified pay off date.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-3	Is the entity current in its debt service payments? If no, MUST explain: N/A see 4-2	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)			

	Outstanding at beginning of year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ 338,821	\$ 100,424	\$ -	\$ 439,245
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 338,821	\$ 100,424	\$ -	\$ 439,245

*must agree to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

YES NO

4-5	Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
If yes:	How much?	\$ 650,000,000		
If yes:	Date the debt was authorized:	11/14/2014		
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes:	How much?	\$ -		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes:	What is the amount outstanding?	\$ -		
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes:	What is being leased?			
If yes:	What is the original date of the lease?			
If yes:	Number of years of lease?			
If yes:	Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input type="checkbox"/>	
If yes:	What are the annual lease payments?	\$ -		

PART 5 - CASH AND INVESTMENTS

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

AMOUNT TOTAL

Please use this space to provide any explanations or comments:

5-1	YEAR-END Total of ALL Checking and Savings accounts	\$ 1,494	
5-2	Certificates of deposit	\$ -	
TOTAL CASH DEPOSITS			\$ 1,494
Investments (if investment is a mutual fund, please list underlying investments):			
5-3		\$ -	
		\$ -	
		\$ -	
		\$ -	
TOTAL INVESTMENTS			\$ -
TOTAL CASH AND INVESTMENTS			\$ 1,494

Please answer the following question by marking in the appropriate box

YES NO N/A

5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input 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.)? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PART 6 - CAPITAL ASSETS

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

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

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

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

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

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

*must agree to prior year ending balance

PART 7 - PENSION INFORMATION

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

- 7-1 Does the entity have an "old hire" firemen's pension plan? YES NO
- 7-2 Does the entity have a volunteer firemen's 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? \$ -

PART 8 - BUDGET INFORMATION

Please answer the following question by marking in the appropriate box				YES	NO	N/A	Please use this space to provide any explanations or comments:
8-1	Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
If yes: Please indicate the amount budgeted for each fund for the year reported							
Fund Name		Budgeted Expenditures					
Amended General Fund		\$ 85,000					
Amended Capital Projects Fund		\$ 50,000					
		-					
		-					

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

Please answer the following question by marking in the appropriate box				YES	NO	Please use this space to provide any explanations or comments:
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? government from the 3 percent emergency reserve requirement. All governments should determine if they meet this	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

PART 10 - GENERAL INFORMATION

Please answer the following question by marking in the appropriate box				YES	NO	Please use this space to provide any explanations or comments:	
10-1	Is this application for a newly formed governmental entity?	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
If yes: Date of formation: <div style="border: 1px solid black; width: 150px; height: 30px; display: inline-block; vertical-align: middle;"></div>							
10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
If Yes: NEW name <div style="border: 1px solid black; width: 350px; height: 20px; display: inline-block; vertical-align: middle;"></div>							
PRIOR name <div style="border: 1px solid black; width: 350px; height: 20px; display: inline-block; vertical-align: middle;"></div>							
10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>				
10-4	Please indicate what services the entity provides:						
<div style="border: 1px solid black; width: 400px; height: 15px; display: inline-block;"></div> See below							
10-5	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:							
<div style="border: 1px solid black; width: 400px; height: 15px; display: inline-block;"></div> See Below							
10-6	Does the entity have a certified mill levy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>				
If yes: Please provide the number of <u>mills</u> levied for the year reported (do not enter \$ amounts):							
Bond Redemption mills		0.000					
General/Other mills		45.000					
Total mills		45.000					

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

10-4 The District was established to provide design, financing, acquisition , and construction of certain infrastructure including streets improvements, safety protection, water and sewer, and park and recreational improvements.)

10-5 (a) Per a MOU between Lanterns MD Nos 2 & 3, the Districts agree that Lanterns MD No. 1 will provide the administration for all three Districts, and will also provide financing, construction, design, operation and maintenance of public improvements.

10-5 (b) Per a Developer Cost and Reimbursement Agreement with Crystal Valley MD No. 1 as amended and restated on June 12 , 2014, the agreement memorialized conditions upon which amounts owing will be payable subject to certain conditions being met.

OSA USE ONLY

Entity Wide:		General Fund		Governmental Funds		Notes
Unrestricted Cash & Investments	\$ 1,494	Unrestricted Fund Balan	\$ (19,753)	Total Tax Revenue	\$ 45	
Current Liabilities	\$ 21,769	Total Fund Balance	\$ (16,395)	Revenue Paying Debt Service	\$ -	
Deferred Inflow	\$ 68	PY Fund Balance	\$ 2,882	Total Revenue	\$ 100,469	
		Total Revenue	\$ 61,659	Total Debt Service Principal	\$ -	
		Total Expenditures	\$ 80,936	Total Debt Service Interest	\$ -	
		Interfund In	\$ -			
Governmental		Interfund Out	\$ -	Enterprise Funds		
Total Cash & Investments	\$ 1,494	Interfund Out	\$ -	Net Position	\$ -	
Transfers In	\$ -	Proprietary		- PY Net Position	\$ -	
Transfers Out	\$ -	- Current Assets	\$ -	- Government-Wide		
Property Tax	\$ 41	Deferred Outflow	\$ -	- Total Outstanding Debt	\$ 439,245	
Debt Service Principal	\$ -	- Current Liabilities	\$ -	- Authorized but Unissued	\$ 650,000,000	
Total Expenditures	\$ 121,338	Deferred Inflow	\$ -	- Year Authorized	\$ 41,957	
Total Developer Advances	\$ -	- Cash & Investments	\$ -			
Total Developer Repayments	\$ -	- Principal Expense	\$ -			

PART 12 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?



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

Policy - Requirements

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

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

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

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

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

Print the names of all current governing board members below.

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

Board Member	Print Board Member's Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2022
1	Scott Carlson	I, Scott Carlson, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Scott Carlson</u> Date: <u>3/25/2019</u> My term Expires: May 2022 <small>D4B715C613D540F...</small>
2	Kent Carlson	I, Kent Carlson, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>3/25/2019</u> My term Expires: May 2022 <small>5F644ABCF091470...</small>
3	Clay Carlson	I, Clay Carlson, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2022
4	Lonny Phelps	I, Lonny Phelps, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Lonny Phelps</u> Date: <u>3/25/2019</u> My term Expires: May 2020 <small>BE15BBE083614AF...</small>
5	Ryan Carlson	I, Ryan Carlson, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2020
6	Print Board Member's Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
7	Print Board Member's Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



CliftonLarsonAllen LLP
www.CLACONnect.com

Accountant's Compilation Report

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

Management is responsible for the accompanying Application for Exemption from Audit of Lanterns Metropolitan District No. 1 as of and for the year ended December 31, 2018, 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 Lanterns Metropolitan District No. 1

A handwritten signature in black ink that reads 'CliftonLarsonAllen LLP' in a cursive script.

Greenwood Village, Colorado
March 10, 2019

Certificate Of Completion

Envelope Id: 1CE5A6FA828C4450A60402FBCA89647B	Status: Completed
Subject: Please DocuSign: LanternsMD1_2018_Audit_Exemption.pdf	
Client Name: LANTERNS METRO DISTRICT NO. 1	
Client Number: 011-045413-01	
Source Envelope:	
Document Pages: 10	Signatures: 3
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Aurora Baca
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	Aurora.Baca@claconnect.com
	IP Address: 64.129.72.3

Record Tracking

Status: Original	Holder: Aurora Baca	Location: DocuSign
3/25/2019 4:33:58 PM	Aurora.Baca@claconnect.com	

Signer Events

Kent Carlson
kent@carlsonland.net
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

5F644ABCF091470...

Signature Adoption: Drawn on Device
Using IP Address: 184.167.6.234
Signed using mobile

Timestamp

Sent: 3/25/2019 4:39:15 PM
Viewed: 3/25/2019 5:07:44 PM
Signed: 3/25/2019 5:08:39 PM

Electronic Record and Signature Disclosure:
Accepted: 3/25/2019 5:07:44 PM
ID: 4dbb83ce-e006-43d6-816e-fd9f18d437cf

Lonny Phelps
lphelps@phelpsengineering.net
Security Level: Email, Account Authentication (None)

DocuSigned by:

BE15BBE083614AF...

Signature Adoption: Pre-selected Style
Using IP Address: 23.31.68.19

Sent: 3/25/2019 4:39:16 PM
Viewed: 3/25/2019 5:03:32 PM
Signed: 3/25/2019 5:03:50 PM

Electronic Record and Signature Disclosure:
Accepted: 3/25/2019 5:03:32 PM
ID: 32ba86b4-c519-464e-a8d8-d3ce52402225

Scott Carlson
scott@carlsonland.net
Security Level: Email, Account Authentication (None)

DocuSigned by:

D4B715C613D540F...

Signature Adoption: Pre-selected Style
Using IP Address: 174.213.20.62
Signed using mobile

Sent: 3/25/2019 4:39:15 PM
Viewed: 3/25/2019 5:22:39 PM
Signed: 3/25/2019 5:22:46 PM

Electronic Record and Signature Disclosure:
Accepted: 3/25/2019 5:22:39 PM
ID: e3ba49d9-8222-443d-9b5e-979a6624ef8f

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	3/25/2019 4:39:16 PM
Certified Delivered	Security Checked	3/26/2019 4:52:33 PM
Signing Complete	Security Checked	3/26/2019 4:52:33 PM
Completed	Security Checked	3/26/2019 4:52:33 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CliftonLarsonAllen LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: BusinessTechnology@CLAconnect.com

To advise CliftonLarsonAllen LLP of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at BusinessTechnology@CLAconnect.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from CliftonLarsonAllen LLP

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with CliftonLarsonAllen LLP

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

**NAME OF GOVERNMENT
ADDRESS**

Lanterns Metropolitan District No. 2
8390 E Crescent Parkway
Suite 300
Greenwood Village, CO 80111
Carrie Bartow
303-779-5710
Carrie.Bartow@claconnect.com
303-779-0348

**For the Year Ended
12/31/18
or fiscal year ended:**

**CONTACT PERSON
PHONE
EMAIL
FAX**

PART 1 - CERTIFICATION OF PREPARER

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

NAME:	Carrie Bartow
TITLE	Accountant for the District
FIRM NAME (if applicable)	CliftonLarsonAllen LLP
ADDRESS	8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
PHONE	303-779-5710
DATE PREPARED	March 28, 2019

PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

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

PART 2 - REVENUE

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

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	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

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	\$ -	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	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ -	
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	\$ -	

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: N/A	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: N/A	<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	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized:	11/4/2014	
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? If yes: What is being leased? What is the original date of the lease? Number of years of lease? Is the lease subject to annual appropriation? What are the annual lease payments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

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

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2 Certificates of deposit	\$ -	
Total Cash Deposits		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
5-3	\$ -	
	\$ -	
Total Investments		\$ -
Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

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

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

PART 6 - CAPITAL ASSETS

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

Yes No

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

N/A

Complete the following capital assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

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

Yes No

- 7-1 Does the entity have an "old hire" firemen's pension plan? Yes No
- 7-2 Does the entity have a volunteer firemen's 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 \$ -

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:

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, 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	-
Total mills	-

Please use this space to provide any explanations or comments:

10-3: The District was formed to provide design, financing, acquisition, and construction of certain infrastructure including street improvements, safety protection, water, sanitary sewer services, and park and recreational improvements.
 10-4: Memorandum of Understanding among Lanterns Metropolitan District Nos 2 and 3, whereby the districts agree that Lanterns Metropolitan District No. 1 will provide the administration for all three districts, and will also provide for the financing, construction, design, operation, and maintenance of any public improvements.

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.



CliftonLarsonAllen LLP
www.CLACONnect.com

Accountant's Compilation Report

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

Management is responsible for the accompanying Application for Exemption from Audit of Lanterns Metropolitan District No. 2 as of and for the year ended December 31, 2018, 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 Lanterns Metropolitan District No. 2.

A handwritten signature in black ink that reads 'CliftonLarsonAllen LLP' in a cursive, flowing script.

Greenwood Village, Colorado
March 28, 2019

Certificate Of Completion

Envelope Id: 029D090035BD45C5990FF9833BF6D1B6	Status: Completed
Subject: Please DocuSign: LanternsMD2_2018_Audit_Exemption.pdf	
Client Name: LANTERNS METRO DISTRICT NO. 2	
Client Number: 011-045413-02	
Source Envelope:	
Document Pages: 8	Signatures: 4
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Aurora Baca
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	Aurora.Baca@claconnect.com
	IP Address: 64.129.72.3

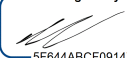
Record Tracking

Status: Original	Holder: Aurora Baca	Location: DocuSign
3/28/2019 4:02:19 PM	Aurora.Baca@claconnect.com	

Signer Events

Kent Carlson
kent@carlsonland.net
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

5F644ABCF091470...

Signature Adoption: Drawn on Device
Using IP Address: 73.203.7.61
Signed using mobile

Timestamp

Sent: 3/28/2019 4:05:31 PM
Viewed: 3/28/2019 7:47:34 PM
Signed: 3/28/2019 7:47:47 PM

Electronic Record and Signature Disclosure:
Accepted: 3/28/2019 7:47:34 PM
ID: f8c4dc7d-d553-473d-9d91-9b45d7207e64

Lonny Phelps
lphelps@phelpsengineering.net
Security Level: Email, Account Authentication (None)

DocuSigned by:

BE15BBE083614AF...

Signature Adoption: Pre-selected Style
Using IP Address: 23.31.68.19

Sent: 3/28/2019 4:05:31 PM
Viewed: 3/28/2019 6:42:55 PM
Signed: 3/28/2019 6:43:17 PM

Electronic Record and Signature Disclosure:
Accepted: 3/28/2019 6:42:55 PM
ID: 72c9a26e-cf80-4bea-9231-863ed8911eec

Ryan Carlson
ryan@carlsonland.net
Security Level: Email, Account Authentication (None)

DocuSigned by:

E57DB7695C05445...

Signature Adoption: Pre-selected Style
Using IP Address: 96.84.249.109

Sent: 3/28/2019 4:05:31 PM
Viewed: 3/28/2019 4:10:23 PM
Signed: 3/28/2019 4:10:42 PM

Electronic Record and Signature Disclosure:
Accepted: 3/28/2019 4:10:22 PM
ID: a98a8600-c2e5-4ae0-8ca3-d2d4051e9dfc

Scott Carlson
scott@carlsonland.net
Security Level: Email, Account Authentication (None)

DocuSigned by:

D4B715C613D540F...

Signature Adoption: Pre-selected Style
Using IP Address: 73.14.186.216
Signed using mobile

Sent: 3/28/2019 4:05:31 PM
Viewed: 3/28/2019 8:33:07 PM
Signed: 3/28/2019 8:33:20 PM

Signer Events	Signature	Timestamp
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Electronic Record and Signature Disclosure:
Accepted: 3/28/2019 8:33:07 PM
ID: 21fa2ca5-7ed6-4d74-92f0-22d1e4e2015c

In Person Signer Events	Signature	Timestamp
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Editor Delivery Events	Status	Timestamp
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Agent Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	3/28/2019 4:05:31 PM
Certified Delivered	Security Checked	3/29/2019 11:36:19 AM
Signing Complete	Security Checked	3/29/2019 11:36:19 AM
Completed	Security Checked	3/29/2019 11:36:19 AM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CliftonLarsonAllen LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: BusinessTechnology@CLAconnect.com

To advise CliftonLarsonAllen LLP of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at BusinessTechnology@CLAconnect.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from CliftonLarsonAllen LLP

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with CliftonLarsonAllen LLP

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

**NAME OF GOVERNMENT
ADDRESS**

Lanterns Metropolitan District No. 3
8390 E Crescent Parkway
Suite 300
Greenwood Village, CO 80111
Carrie Bartow
303-779-5710
Carrie.Bartow@claconnect.com
303-779-0348

**For the Year Ended
12/31/18
or fiscal year ended:**

**CONTACT PERSON
PHONE
EMAIL
FAX**

PART 1 - CERTIFICATION OF PREPARER

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

NAME:	Carrie Bartow
TITLE	Accountant for the District
FIRM NAME (if applicable)	CliftonLarsonAllen LLP
ADDRESS	8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
PHONE	303-779-5710
DATE PREPARED	March 28, 2019

PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

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

PART 2 - REVENUE

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

Line#	Description	Round to nearest Dollar	
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

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	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ -	
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	\$ -	

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</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</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
	Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized:	<div style="border: 1px solid black; padding: 2px; margin-top: 5px;">11/4/2014</div>	
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? If yes: What is being leased? What is the original date of the lease? Number of years of lease? Is the lease subject to annual appropriation? What are the annual lease payments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

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

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2 Certificates of deposit	\$ -	
Total Cash Deposits		
Investments (if investment is a mutual fund, please list underlying investments):		\$ -
	\$ -	
	\$ -	
5-3	\$ -	
	\$ -	
Total Investments		
Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

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

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

PART 6 - CAPITAL ASSETS

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

Yes No

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

N/A

Complete the following capital assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

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

Yes No

- 7-1 Does the entity have an "old hire" firemen's pension plan? Yes No
- 7-2 Does the entity have a volunteer firemen's 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 \$ -

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:

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,

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	-
Total mills	-

	-
	-
	-

Please use this space to provide any explanations or comments:

10-3: The District was formed to provide design, financing, acquisition, and construction of certain infrastructure including street improvements, safety protection, water, sanitary sewer services, and park and recreational improvements.

10-4: Memorandum of Understanding among Lanterns Metropolitan District Nos 2 and 3, whereby the districts agree that Lanterns Metropolitan District No. 1 will provide the administration for all three districts, and will also provide for the financing, construction, design, operation, and maintenance of any public improvements.

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

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- 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 current governing board members below.		A MAJORITY of the governing board members must complete and sign in the column below.
Board Member 1	Print Board Member's Name Scott Carlson	I, Scott Carlson, 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>Scott Carlson</u> Date: <u>3/28/2019</u> My term Expires: May 2022
Board Member 2	Print Board Member's Name Kent Carlson	I, Kent Carlson, 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>[Signature]</u> Date: <u>3/28/2019</u> My term Expires: May 2022
Board Member 3	Print Board Member's Name Clay Carlson	I, Clay Carlson, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2022
Board Member 4	Print Board Member's Name Lonny Phelps	I, Lonny Phelps, 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>Lonny Phelps</u> Date: <u>3/28/2019</u> My term Expires: May 2020
Board Member 5	Print Board Member's Name Ryan Carlson	I, Ryan Carlson, 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>Ryan Carlson</u> Date: <u>3/28/2019</u> My term Expires: May 2020
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
www.CLACONNECT.com

Accountant's Compilation Report

Board of Directors
Lanterns Metropolitan District No. 3
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Lanterns Metropolitan District No. 3 as of and for the year ended December 31, 2018, 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 Lanterns Metropolitan District No. 3

A handwritten signature in black ink that reads 'CliftonLarsonAllen LLP' in a cursive script.

Greenwood Village, Colorado
March 28, 2019

Certificate Of Completion

Envelope Id: 2CBA4B48479C43BE9FC306EF2ADDDE23	Status: Completed
Subject: Please DocuSign: LanternsMD3_2018_Audit_Exemption.pdf	
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Client Number: 011-045413-03	
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	Suite 300
	Minneapolis, MN 55402
	Aurora.Baca@claconnect.com
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kent@carlsonland.net
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lphelps@phelpsengineering.net
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Ryan Carlson
ryan@carlsonland.net
Security Level: Email, Account Authentication (None)

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Scott Carlson
scott@carlsonland.net
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At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

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Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CliftonLarsonAllen LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: BusinessTechnology@CLAconnect.com

To advise CliftonLarsonAllen LLP of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at BusinessTechnology@CLAconnect.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

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To request paper copies from CliftonLarsonAllen LLP

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with CliftonLarsonAllen LLP

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

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To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

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- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

EXHIBIT C

2018 Budget



Certified Public Accountants and Business Consultants

Accountant's Compilation Report

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

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of Lanterns Metropolitan District No. 1 for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, the actual comparative information for the year ending December 31, 2016, and the adopted budget for the year ending December 31, 2017 in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. 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 AICPA. We did not audit or review the budget 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 accompanying budget.

We draw attention to the Budget Message included in the budget submission to the State of Colorado which describes that the budgetary basis of accounting is the modified accrual basis in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

Barnes Griggs & Associates, PC

Lakewood, Colorado
January 12, 2018

Barnes Griggs & Associates, PC

12136 West Bayaud Ave., Suite 300 · Lakewood, Colorado 80228
303.202.1800 Office · 303.237.0155 Fax · www.barnesgriggs.com

LANTERNS METROPOLITAN DISTRICT NO. 1

2018 Budget Message

Introduction

Lanterns Metropolitan District No. 1 (the “District”) was formed in February 2004 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure including street improvements, safety protection, water, sanitary sewer services, and park and recreational improvements. When appropriate, these improvements will be dedicated to the Town of Castle Rock, in Douglas County, or such other entities as appropriate for the use and benefit of the District taxpayers and service users.

The 2018 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2018 fiscal year based on available revenues. This budget provides for the general operation of the District and limited capital expenditures.

The District’s assessed value increased 7.06% to \$910 in 2017. The District’s total mill levy assessed for the 2018 fiscal year remained the same as 2017 at 45.000 mills. The entire mill levy is certified to the General Fund.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds comprise the total District budget. All of the District’s funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within 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. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

The **General Fund** is used to account for revenue traditionally associated with government such as property taxes and specific ownership tax. Expenditures include district administration, legal services, and other expenses related to statutory operations of a local government. The General Fund sources of revenue are a combination of property taxes and developer advances.

The **Capital Projects Fund** is used to account for revenues and expenditures to complete capital projects such as new improvements and upgrades to existing infrastructure. The primary source of revenue is advances from the Developer.

Emergency Reserve

As required under Section 20 of Article X of the Colorado Constitution (“TABOR”), the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.

LANTERNS METROPOLITAN DISTRICT NO. 1
Assessed Value, Property Tax and Mill Levy Information

	2016 Actual	2017 Adopted Budget	2018 Adopted Budget
Assessed Valuation	\$ 850	\$ 850	\$ 910
Mill Levy			
General Fund	45.000	45.000	45.000
Total Mill Levy	45.000	45.000	45.000
Property Taxes			
General Fund	\$ 38	\$ 38	\$ 41
Actual/Budgeted Property Taxes	\$ 38	\$ 38	\$ 41

LANTERNS METROPOLITAN DISTRICT NO. 1

**GENERAL FUND
2018 Adopted Budget
with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated**

	2016 Actual	2017 Adopted Budget	2017 Estimated	2018 Adopted Budget
BEGINNING FUND BALANCE	\$ 3,658	\$ 16,000	\$ 4,286	\$ -
REVENUE				
Property Tax Revenue	38	38	38	41
Specific Ownership Taxes	4	3	3	3
Developer Advance	10,956	1,118	15,749	18,710
Total Revenue	10,998	1,159	15,790	18,754
Total Funds Available	14,657	17,159	20,076	18,754
EXPENDITURES				
Accounting	2,954	4,100	4,100	4,182
Audit/Exemption	304	500	500	500
Insurance/SDA Dues	3,199	3,140	3,140	3,454
Election	484	-	-	500
Legal	1,206	5,000	5,000	5,100
Management	1,537	3,580	3,580	3,652
Miscellaneous	687	500	500	500
Treasurer's Fees	1	1	1	1
Contingency	-	303	2,782	303
Emergency Reserve	-	35	474	563
Total Expenditures	10,371	17,159	20,076	18,754
Total Expenditures Requiring Appropriation	10,371	17,159	20,076	18,754
ENDING FUND BALANCE	\$ 4,286	\$ -	\$ -	\$ -

LANTERNS METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2018 Adopted Budget
with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated

	2016 YTD Actual	2017 Adopted Budget	2017 Estimated	2018 Adopted Budget
BEGINNING FUND BALANCE	\$ (1,803)	\$ -	\$ (1,745)	\$ -
REVENUE				
Developer Advance	7,844	15,000	16,950	23,510
Total Revenue	7,844	15,000	16,950	23,510
Total Funds Available	6,041	15,000	15,205	23,510
EXPENDITURES				
Accounting	3,659	5,000	5,206	5,310
Legal	1,809	5,000	5,000	5,100
Management	2,317	5,000	5,000	5,100
Engineering	-	-	-	8,000
Total Expenditures	7,786	15,000	15,206	23,510
Total Expenditures Requiring Appropriation	7,786	15,000	15,206	23,510
ENDING FUND BALANCE	\$ (1,745)	\$ -	\$ -	\$ -

EXHIBIT D

2019 Budgets



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLAconnect.com

Accountant's Compilation Report

Board of Directors
Lanterns Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Lanterns Metropolitan District No. 1 for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). 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 AICPA. We did not audit or review the budget 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 accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 22, 2019



An independent member of Nexia International

**LANTERNS METROPOLITAN DISTRICT NO. 1
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/22/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 2,541	\$ 3,951	\$ -
REVENUES			
Property taxes	38	41	68
Specific ownership taxes	6	4	7
Developer advance	23,650	42,794	73,225
Total revenues	<u>23,694</u>	<u>42,839</u>	<u>73,300</u>
Total funds available	<u>26,235</u>	<u>46,790</u>	<u>73,300</u>
EXPENDITURES			
General Fund	11,608	31,690	50,000
Capital Projects Fund	10,676	15,100	23,200
Total expenditures	<u>22,284</u>	<u>46,790</u>	<u>73,200</u>
Total expenditures and transfers out requiring appropriation	<u>22,284</u>	<u>46,790</u>	<u>73,200</u>
ENDING FUND BALANCES	<u>\$ 3,951</u>	<u>\$ -</u>	<u>\$ 100</u>
EMERGENCY RESERVE	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

LANERNS METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/22/19

ACTUAL	ESTIMATED	BUDGET
2017	2018	2019

ASSESSED VALUATION

Vacant land	\$	850	\$	910	\$	910
Certified Assessed Value	\$	850	\$	910	\$	910

MILL LEVY

General	45.000	45.000	74.600
Total mill levy	45.000	45.000	74.600

PROPERTY TAXES

General	\$	38	\$	41	\$	68
Budgeted property taxes	\$	38	\$	41	\$	68

BUDGETED PROPERTY TAXES

General	\$	38	\$	41	\$	68
	\$	38	\$	41	\$	68

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**LANTERNS METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/22/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 4,286	\$ 2,882	\$ -
REVENUES			
Property taxes	38	41	68
Specific ownership taxes	6	4	7
Developer advance	10,160	28,763	50,025
Total revenues	<u>10,204</u>	<u>28,808</u>	<u>50,100</u>
Total funds available	<u>14,490</u>	<u>31,690</u>	<u>50,100</u>
EXPENDITURES			
General and administrative			
Accounting	3,291	4,182	5,000
Treasurer's fees	1	1	1
Audit	400	329	500
Insurance	3,623	3,026	3,500
District management	1,517	3,652	4,000
Legal	2,309	18,000	10,000
Miscellaneous	467	500	500
Election	-	2,000	-
Contingency	-	-	26,499
Total expenditures	<u>11,608</u>	<u>31,690</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>11,608</u>	<u>31,690</u>	<u>50,000</u>
ENDING FUND BALANCES	<u>\$ 2,882</u>	<u>\$ -</u>	<u>\$ 100</u>
EMERGENCY RESERVE	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

LANERNS METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/22/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ (1,745)	\$ 1,069	\$ -
REVENUES			
Developer advance	13,490	14,031	23,200
Total revenues	<u>13,490</u>	<u>14,031</u>	<u>23,200</u>
Total funds available	<u>11,745</u>	<u>15,100</u>	<u>23,200</u>
EXPENDITURES			
General and Administrative			
Accounting	4,937	5,000	5,000
District management	2,276	5,000	5,100
Legal	3,463	5,100	5,100
Engineering	-	-	8,000
Total expenditures	<u>10,676</u>	<u>15,100</u>	<u>23,200</u>
Total expenditures and transfers out requiring appropriation	<u>10,676</u>	<u>15,100</u>	<u>23,200</u>
ENDING FUND BALANCES	<u>\$ 1,069</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**LANTERNS METROPOLITAN DISTRICT NO. 1
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Lanterns Metropolitan District No. 1, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Castle Rock in February 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town Council of the Town of Castle Rock, and as modified on September 16, 2014. The District's service area is located in the Town of Castle Rock, in Douglas County. District Nos. 1-3 are authorized to implement the Capital Plan and Financial Plan within their respective boundaries. District No. 4 and District No. 5 are being organized to provide operations and maintenance services to the Service Area and will function as overlay districts that will share boundaries with District Nos. 1-3.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

The Service Plan for District Nos. 1-3 limits the aggregate amount of debt that they may issue together to \$87,000,000.

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

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected to 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 bond proceeds and other legally available revenue.

Property Taxes

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

**LANTERNS METROPOLITAN DISTRICT NO. 1
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

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.

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 10% of the property taxes collected.

Expenditures

General and Administrative Expenditures

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

County Treasurer's Fees

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

Capital Outlay

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

Debt and Leases

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

Reserves

Emergency Reserve

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

This information is an integral part of the accompanying budget.



CliftonLarsonAllen

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Accountant's Compilation Report

Board of Directors
Lanterns Metropolitan District No. 2

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Lanterns Metropolitan District No. 2 for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). 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 AICPA. We did not audit or review the budget 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 accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 2, 2019



An independent member of Nexia International

LANTERNS METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/2/19

ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
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ASSESSED VALUATION

Certified Assessed Value

\$	-	\$	-	\$	-
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MILL LEVY

PROPERTY TAXES

Budgeted property taxes

\$	-	\$	-	\$	-
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BUDGETED PROPERTY TAXES

\$	-	\$	-	\$	-
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This financial information should be read only in connection with the accompanying accountant's
 compilation report and summary of significant assumptions.

LANERNS METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/2/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

LANTERNS METROPOLITAN DISTRICT NO. 2
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Lanterns Metropolitan District No. 2, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Castle Rock in February 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town Council of the Town of Castle Rock, and as modified on September 16, 2014. The District's service area is located in the Town of Castle Rock, in Douglas County.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

The Service Plans for District Nos. 1-3 limits the aggregate amount of debt that they may issue together to \$87,000,000.

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 and Expenditures

The District does not anticipate any financing activity in 2019.

Debt and Leases

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

Reserve Funds

Emergency Reserve

The District has not provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2019, as defined under TABOR, because the District anticipates no financial activity.

This information is an integral part of the accompanying budget.



CliftonLarsonAllen

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Accountant's Compilation Report

Board of Directors
Lanterns Metropolitan District No. 3

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Lanterns Metropolitan District No. 3 for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). 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 AICPA. We did not audit or review the budget 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 accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Lanterns Metropolitan District No. 3.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 2, 2019



An independent member of Nexia International

LANERNS METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/2/19

ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
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ASSESSED VALUATION

Certified Assessed Value

\$	-	\$	-	\$	-
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MILL LEVY

PROPERTY TAXES

Budgeted property taxes

\$	-	\$	-	\$	-
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BUDGETED PROPERTY TAXES

\$	-	\$	-	\$	-
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This financial information should be read only in connection with the accompanying accountant's
 compilation report and summary of significant assumptions.

LANTERNS METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/2/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**LANTERNS METROPOLITAN DISTRICT NO. 3
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Lanterns Metropolitan District No. 3, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Castle Rock in February 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town Council of the Town of Castle Rock, and as modified on September 16, 2014. The District's service area is located in the Town of Castle Rock, in Douglas County.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

The Service Plans for Districts Nos. 1-3 limits the aggregate amount of debt that they may issue together to \$87,000,000.

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 and Expenditures

The District does not anticipate any financing activity in 2019.

Debt and Leases

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

Reserve Funds

Emergency Reserve

The District has not provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2019, as defined under TABOR, because the District anticipates no financial activity.

This information is an integral part of the accompanying budget.