

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
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[https:// www.prairiecentermd7.colorado.gov](https://www.prairiecentermd7.colorado.gov)

NOTICE OF A SPECIAL MEETING AND AGENDA

| <u>Board of Directors:</u> | <u>Office:</u> | <u>Term/Expiration:</u> |
|----------------------------|---------------------|-------------------------|
| Michael Tamblyn | President | 2027/May 2027 |
| Ashley Licursi | Treasurer | 2025/May 2025 |
| Melissa Zimmerman | Assistant Secretary | 2025/May 2025 |
| Amanda Coffey | Assistant Secretary | 2025/May 2025 |
| Ronald Johnson | Assistant Secretary | 2027/May 2027 |
| | Secretary | |

DATE: December 4, 2023

TIME: 6:30 P.M.

PLACE: **Physical Location**

Holiday Inn Express & Suites Denver NE – Brighton
2212 Medical Center Drive
Brighton, CO 80601

Zoom information:

<https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUlZZc1VMWTJFZjFHdz09>

Meeting ID: 862 6755 0643

Passcode: 987572

Dial in: 1-719-359-4580

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflict of Interest.

B. Approve Agenda; confirm location of meeting and posting of meeting notices.

C. Acknowledge resignation of Ann Finn as District Secretary, and consider appointment of Peggy Ripko as new District Secretary.

D. Review and approve minutes of the June 8, 2023 Regular Meeting and the November 14, 2023 Work Session Meeting (enclosures).

- E. Discuss business to be conducted in 2024 and location (virtual and/or physical) of meetings. Schedule regular meeting dates and consider adoption of Resolution No. 2023-12-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices (enclosure).
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- F. Discuss requirements of Section 32-1-809, C.R.S., and direct staff regarding compliance for 2024 (Transparency Notice).
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G. **Insurance Matters:**

1. Discuss Cyber Security and Increased Crime Coverage.

2. Establish Insurance Committee to make final determinations regarding insurance, if necessary.

3. Authorize renewal of the District's insurance and Special District Association ("SDA") membership for 2024.

II. PUBLIC COMMENTS

- A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.
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III. COMMUNITY MANAGEMENT MATTERS

- A. Community Management Report.
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- B. Discuss status of possible Amendment to the Declaration of Master Design Review Covenant and Use Restrictions and delegation of rights and duties to the District.
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IV. FINANCIAL MATTERS

- A. Ratify approval of payment of claims for the period ending June 1, 2023 through November 29, 2023, totaling \$288,968.05 (enclosure).
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- B. Review and consider acceptance of unaudited financial statements for the period ending September 30, 2023 (enclosure).
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- C. Consider engagement of Wipfli, LLP for preparation of the 2023 Audit, in the amount of \$6,000.00 (enclosure).
-
- D. Conduct Public Hearing to consider Amendment to 2023 Budget and (if necessary) consider adoption of Resolution to Amend the 2023 Budget and Appropriate Expenditures.
-
- E. Conduct Public Hearing on the proposed 2024 Budget and consider adoption of Resolution to Adopt the 2024 Budget and Appropriate Sums of Money and Resolution to Set Mill Levies (for General Fund _____, Debt Service Fund _____ and Other Fund(s) _____ for a total mill levy of _____) (enclosures – preliminary assessed valuation and resolutions – draft 2024 Budget).
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1. Review and consider adoption of Resolution No. 2023-12-___; Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan (enclosure).
-
- F. Authorize District Accountant to prepare and sign the DLG-70 Certification of Tax Levies form (“Certification”). Direct District Accountant to file the Certification with the Board of County Commissioners and other interested parties.
-
- G. Consider appointment of District Accountant to prepare the 2025 budget.
-
- H. Ratify approval of Engineer’s Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 7, dated June 22, 2023, prepared by Independent District Engineering Services, LLC, for the amount of \$498,991.75 (“Report No. 7”) (enclosure).
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- I. Review and consider approval of Engineer’s Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 8, dated September 21, 2023, prepared by Independent District Engineering Services, LLC, for the amount of \$324,339.76 (“Report No. 8”) (enclosure).
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- J. Review and consider approval of Master Service Agreement and Statements of Work (“SOW”) between the District and CliftonLarsonAllen LLP for 2024 Accounting Services (enclosures).
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V. LEGAL MATTERS

- A. Review and consider approval of Memorandum of Understanding – Prairie Center Village I Subdivision Phase 3 Pipe Maintenance between the City of Brighton and the District (enclosure).
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- B. Review and consider adoption of Resolution No. 2023-12-____, Second Amended and Restated Resolution of the Board of Directors of Prairie Center Metropolitan District No. 7 Regarding the Imposition of District Fees (enclosure).
-
- C. Discuss and consider adoption of Resolution No. 2023-12-____, Resolution Amending Policy on Colorado Open Records Act Requests (enclosure).
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VI. OPERATIONS AND MAINTENANCE MATTERS

- A. Consider approval of Change Order No. 1 to Service Agreement for Landscape Maintenance of District Tracts – Village I between the District and Vargas Property Services, Inc. in the amount of \$39,449.74 (enclosure).
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- B. Consider approval of Change Order No. 1 to Service Agreement for Snow Removal between the District and Magnum Snow Removal, Inc. (enclosure).
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- C. Consider approval of Change Order No. 1 to Service Agreement for Exterior Light Inspection between the District and Colorado Lighting, Inc. (d/b/a CLI Services) (enclosure).
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VII. CAPITAL MATTERS

- A. Discuss the Prairie Center Village I Phase IV Improvements Projects.
-

VIII. OTHER MATTERS

- A. _____
-

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December 4, 2023 Agenda
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IX. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2023.**

Informational Enclosure:

- Memo regarding New Rate Structure from Special District Management Services, Inc.

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER
METROPOLITAN DISTRICT NO. 7 (the “District”)
HELD
JUNE 8, 2023**

A regular meeting of the Board of Directors of the Prairie Center Metropolitan District No. 7 (referred to hereafter as “Board”) was convened on Thursday, the 8th day of June, 2023 at 5:30 P.M. The District Board meeting was held via Zoom video/teleconference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Michael Tamblyn
Melissa Zimmerman
Amanda Coffey
Ashley Licursi
Ronald Johnson

Also In Attendance Were:

Ann E. Finn and Travis Hunsaker; Special District Management Services, Inc.

Kathy Kanda, Esq.; McGeady Becher P.C.

Cecilia Wang; CliftonLarsonAllen LLP

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. Attorney Kanda noted that a quorum was present and requested members of the Board disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was further noted by Attorney Kanda that a conflict disclosure statement was filed for Director Tamblyn, and no new conflicts were disclosed at the meeting.

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board's review and approval a proposed agenda for the District's regular meeting.

Following discussion, upon motion duly made by Director Licursi, seconded by Director Coffey and, upon vote, unanimously carried, the agenda was approved, as amended.

RECORD OF PROCEEDINGS

Meeting Location / Posting of Meeting Notices: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's board meeting. The Board determined that the meeting would be held by video/telephonic means. Ms. Finn reported that notice was duly posted and that no objections to the video/telephonic manner of the meeting or any requests that the video/telephonic manner of the meeting be changed have been received from taxpaying electors within the District boundaries.

Consent Agenda: The Board considered the following actions:

- Approve Minutes of the November 3, 2022 Work Session Meeting and November 10, 2022 Special Meeting.
- Ratify approval of Service Agreement for Slurry Seal between the District and Rocky Mountain Pavement, LLC, d/b/a A-One Chipseal.

Following review, upon motion duly made by Director Licursi, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board acknowledged, approved and/or ratified approval of, as appropriate, the above actions.

2023 Special District Association's Annual Conference: Ms. Finn discussed with the Board authorizing interested Board Members to attend the 2023 Special District Association's Annual Conference in Keystone on September 12, 13 and 14, 2023. No action was taken by the Board.

May 2, 2023 Regular Directors' Election: Ms. Finn reviewed the results of the District's May 2, 2023 Regular Directors' Election with the Board, noting that Directors Ronald Johnson and Michael Tamblyn were each elected to 4-year terms ending in May 2027.

Appointment of Officers: Following discussion, upon motion duly made by Director Coffey seconded by Director Schenberg and, upon vote, unanimously carried, the following slate of officers was appointed:

| | |
|---------------------|-------------------|
| President | Michael Tamblyn |
| Treasurer | Ashley Licursi |
| Secretary | Ann E. Finn |
| Assistant Secretary | Melissa Zimmerman |
| Assistant Secretary | Amanda Coffey |
| Assistant Secretary | Ronald Johnson |

PUBLIC COMMENT There were no public comments.

RECORD OF PROCEEDINGS

COMMUNITY MANAGEMENT MATTERS

Community Management Report: Mr. Hunsaker presented the Community Management Report to the Board.

1967 Coopers Hawk Court.: The Board discussed the proposed revisions to Design Guidelines at 1967 Coopers Hawk Court. No action was taken by the Board.

1946 Griffin Drive: The Board discussed the proposed Trailer Parking Request for 1946 Griffin Drive. No action was taken by the Board.

Amendment to the Declaration of Master Design Review Covenant and Use Restrictions: The Board discussed a potential amendment to the Declaration of Master Design Review Covenant and Use Restrictions, and the delegation of rights and duties to the District. No action was taken by the Board.

FINANCIAL MATTERS

Payment of Claims: Ms. Wang reviewed with the Board the payment of claims for the period beginning November 1, 2022 through February 28, 2023 totaling \$500,267.34, and March 1, 2023 through June 1, 2023 totaling \$100,720.56.

Following discussion, upon motion duly made by Director Coffey, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board ratified approval of the payment of claims.

Following further discussion, upon motion duly made by Director Coffey, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board authorized payment of statutory directors' fees to Director Ronald Johnson.

2022 Audit: Ms. Wang reviewed the 2022 Audit with the Board.

Following review and discussion, upon motion duly made by Director Licursi, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved the 2022 Audit and authorized execution of the Representations Letter, subject to attorney review and receipt of an unmodified opinion letter from the auditor.

Engineer's Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 5, dated January 2023: The Board reviewed the Engineer's Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 5, dated January 2023, prepared by Independent District Engineering Services, LLC, in the amount of \$1,358,115.81 ("Report No. 5").

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Coffey, and upon vote, unanimously carried, the Board ratified the approval of Report No. 5.

RECORD OF PROCEEDINGS

Engineer's Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 6, dated March 2023: The Board reviewed the Engineer's Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 6, dated March 2023, prepared by Independent District Engineering Services, LLC, in the amount of \$728,423.83 ("Report No. 6").

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Coffey, and upon vote, unanimously carried, the Board ratified the approval of Report No. 6.

2024 Budget Public Hearing: The Board entered into discussion regarding setting the date for a Public Hearing to adopt the 2024 Budget.

Following discussion, upon motion duly made by Director Coffey, seconded by Director Licursi and, upon vote, unanimously carried, the Board determined to hold the public hearing to consider adoption of the 2024 Budget on November 9, 2023, at 5:30 p.m., via Zoom.

LEGAL MATTERS

Resolution No. 2023-06-01, Resolution Adopting Rules and Regulations for Construction Activity: Attorney Kanda reviewed with the Board Resolution No. 2023-06-01, Resolution Adopting Rules and Regulations for Construction Activity.

Following discussion, upon motion duly made by Director Zimmerman, seconded by Director Tamblyn, and upon vote, unanimously carried, the Board adopted Resolution No. 2023-06-01, Resolution Adopting Rules and Regulations for Construction Activity.

Construction Activity Permit: The Board reviewed the form Construction Activity Permit.

Following discussion, upon motion duly made by Director Zimmerman, seconded by Director Tamblyn, and upon vote, unanimously carried, the Board approved the form Construction Activity Permit.

District Records Due Diligence and Documentation Project: Attorney Kanda discussed with the Board the status of District Counsel's District records due diligence and documentation project.

New Legislation Regarding Annual Meeting Requirement: Ms. Finn discussed with the Board the new statutory requirement for residential districts to conduct annual meetings. Following discussion, the Board directed Ms. Finn to schedule the required meeting after the draft 2024 budget is available and prior to the November 9, 2023 budget hearing.

RECORD OF PROCEEDINGS

OPERATIONS AND MAINTENANCE

Operation and Maintenance Services: Director Coffey reported on various landscape maintenance issues concerning native and weeds. Director Tamblyn noted he will contact Vargas Property Services, Inc. regarding the Board's concerns.

Change Order No. 1 to Service Agreement for Slurry Seal: Following discussion, upon motion duly made by Director Licursi, seconded by Director Coffey and, upon vote, unanimously carried, the Board approved Change Order No. 1 to the Service Agreement for Slurry Seal between the District and Rocky Mountain Pavement, LLC, d/b/a A-One Chipseal, in the amount of \$619.20.

CAPITAL MATTERS

Prairie Center Village I Phase IV Improvement Projects: Director Tamblyn reported to the Board that initial acceptance from the City has been received with a one-year warranty period, final acceptance in January 2024. The District will own and maintain the landscaping improvements.

OTHER MATTERS

There were no other matters.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Coffey and seconded by Director Zimmerman and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A WORK SESSION MEETING OF THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 (the “District”) HELD NOVEMBER 14, 2023

A work session meeting of the Board of Directors of the Prairie Center Metropolitan District No. 7 (referred to hereafter as “Board”) was convened on Tuesday, November 14, 2023 at 3:00 p.m. The District work session meeting was held via Zoom video/teleconference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Michael Tamblyn
Ashley Licursi
Melissa Zimmerman
Amanda Coffey
Ronald Johnson

Also In Attendance Were:

Peggy Ripko; Special District Management Services, Inc.

Kathy Kanda, Esq.; McGeady Becher P.C.

Thuy Dam; CliftonLarsonAllen LLP

ADMINISTRATIVE MATTERS

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. Attorney Kanda noted that a quorum was present and requested members of the Board disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was further noted by Attorney Kanda that a conflict disclosure statement was filed for Director Tamblyn, and no new conflicts were disclosed at the meeting.

Agenda: Ms. Ripko distributed for the Board’s review and approval a proposed agenda for the District's work session meeting.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Coffey and, upon vote, unanimously carried, the agenda was approved, as presented.

RECORD OF PROCEEDINGS

Meeting Location / Posting of Meeting Notices: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's board meeting. The Board determined that the meeting would be held by video/telephonic means. Ms. Ripko reported that notice was duly posted and that no objections to the video/telephonic manner of the meeting or any requests that the video/telephonic manner of the meeting be changed have been received from taxpaying electors within the District boundaries.

PUBLIC COMMENT There were no public comments.

FINANCIAL MATTERS **2024 Budget:** The Board reviewed and discussed the 2024 draft budget. No action was taken by the Board.

OTHER MATTERS There were no other matters.

ADJOURNMENT There being no further business to come before the Board at this time, upon motion duly made by Director Tamblyn, seconded by Director Coffey and, upon vote, unanimously carried, the work session was adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting

RESOLUTION NO. 2023-12-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES

- A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.
- B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.
- C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.
- D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting if a special district posts the Notice of Meeting online on a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.
- E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.
- F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.
- G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Prairie Center Metropolitan District No. 5 (the “**District**”), Adams County, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2024 shall be held on _____ at _____, at _____ [indicate physical location and/or virtual location (telephonically, electronically, or by other means)].

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District has established the following District Website, <https://prairiecentermd7.colorado.gov> and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to meetings pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

8. That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) _____

9. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on December 4, 2023.

**PRAIRIE CENTER METROPOLITAN
DISTRICT NO. 7**

By: _____
President

Attest:

Secretary

**Prairie Center Metro District No. 7
Payment List
June 1, 2023 - November 29, 2023**

| Date | Payment Ref | Vendor | Amount |
|-------------|--------------------|--|---------------|
| 6/15/2023 | 1843 | A510309 - 000003--Altitude Community Law P.C. | \$ 70.00 |
| 6/15/2023 | 1844 | A510309 - 000019--CliftonLarsonAllen LLP | 4,316.78 |
| 6/15/2023 | 1845 | A510309 - 000027--Colorado Lighting, Inc, | 20.00 |
| 6/15/2023 | 1846 | A510309 - 000032--Diversified Underground | 1,940.00 |
| 6/15/2023 | 1847 | A510309 - 000035--DTJ Design, Inc. | 374.00 |
| 6/15/2023 | 1848 | A510309 - 000063--McGeady Becher, PC | 3,009.29 |
| 6/15/2023 | 1849 | A510309 - 000069--Omerta Storm Water Management | 9,145.55 |
| 6/15/2023 | 1850 | A510309 - 000075--Poop 911 | 70.00 |
| 6/15/2023 | 1851 | A105309-000064--Rocky Mountain Pavement | 14,377.05 |
| 6/15/2023 | 1852 | A510309 - 000091--Special District Mgmt. Services, Inc | 4,008.56 |
| 6/15/2023 | 1853 | A510309 - 000105--Utility Notification Center of CO | 82.56 |
| 6/15/2023 | 1854 | A510309 - 000106--Vargas Property Service Inc | 3,287.47 |
| 6/30/2023 | ACH | A510309 - 000016--City of Brighton | 8,786.04 |
| 6/30/2023 | ACH | A510309 - 000104--United Power Inc | 130.23 |
| 7/18/2023 | 1855 | A510309 - 000019--CliftonLarsonAllen LLP | 11,212.99 |
| 7/18/2023 | 1856 | A510309 - 000027--Colorado Lighting, Inc, | 20.00 |
| 7/18/2023 | 1857 | A510309 - 000032--Diversified Underground | 2,415.00 |
| 7/18/2023 | 1858 | A510309 - 000035--DTJ Design, Inc. | 1,734.27 |
| 7/18/2023 | 1859 | A510309 - 000048--Independent Dist. Engineering Services | 2,376.04 |
| 7/18/2023 | 1860 | A510309 - 000063--McGeady Becher, PC | 5,506.02 |
| 7/18/2023 | 1861 | A510309 - 000075--Poop 911 | 140.00 |
| 7/18/2023 | 1862 | A510309 - 000080--Redland Consulting Group Inc | 230.00 |
| 7/18/2023 | 1863 | A510309-000017--Special District Management Services, Inc. | 4,274.77 |
| 7/18/2023 | 1864 | A510309 - 000105--Utility Notification Center of CO | 104.49 |
| 7/18/2023 | 1865 | A510309 - 000106--Vargas Property Service Inc | 3,287.47 |
| 7/18/2023 | 1866 | A510309 - 000110--WIPFLI | 4,900.00 |
| 8/10/2023 | ACH | A510309 - 000016--City of Brighton | 652.26 |
| 8/21/2023 | 1867 | A510309 - 000007--Ballard Spahr LLP | 3,185.00 |
| 8/21/2023 | Voided - 1868 | | |
| 8/21/2023 | 1869 | A510309 - 000019--CliftonLarsonAllen LLP | 3,573.31 |
| 8/21/2023 | 1870 | A510309 - 000027--Colorado Lighting, Inc, | 20.00 |
| 8/21/2023 | 1871 | A510309 - 000032--Diversified Underground | 1,320.00 |
| 8/21/2023 | 1872 | A510309 - 000063--McGeady Becher, PC | 3,513.25 |
| 8/21/2023 | 1873 | A510309 - 000114--Michael Steven Tamblyn | 23.00 |
| 8/21/2023 | 1874 | A510309 - 000069--Omerta Storm Water Management | 3,230.25 |
| 8/21/2023 | 1875 | A510309 - 000075--Poop 911 | 110.00 |
| 8/21/2023 | 1876 | A510309-000017--Special District Management Services, Inc. | 3,128.29 |
| 8/21/2023 | 1877 | A510309 - 000115--THF Prairie Center Perm One | 652.26 |
| 8/21/2023 | Voided - 1878 | | |
| 8/21/2023 | 1879 | A510309 - 000105--Utility Notification Center of CO | 86.43 |
| 8/21/2023 | 1880 | A510309 - 000106--Vargas Property Service Inc | 4,291.92 |
| 8/22/2023 | ACH | A510309 - 000016--City of Brighton | 395.11 |
| 8/23/2023 | ACH | A510309 - 000016--City of Brighton | 7,653.31 |
| 8/24/2023 | ACH | A510309 - 000104--United Power Inc | 157.81 |
| 9/15/2023 | 1881 | A510309 - 000003--Altitude Community Law P.C. | 210.00 |
| 9/15/2023 | 1882 | A510309 - 000019--CliftonLarsonAllen LLP | 9,167.31 |
| 9/15/2023 | 1883 | A510309 - 000027--Colorado Lighting, Inc, | 20.00 |
| 9/15/2023 | 1884 | A510309 - 000032--Diversified Underground | 1,645.00 |
| 9/15/2023 | 1885 | A510309 - 000063--McGeady Becher, PC | 291.89 |

**Prairie Center Metro District No. 7
Payment List
June 1, 2023 - November 29, 2023**

| Date | Payment Ref | Vendor | Amount |
|-------------|--------------------|--|----------------------------|
| 9/15/2023 | 1886 | A510309 - 000069--Omerta Storm Water Management | 1,350.20 |
| 9/15/2023 | 1887 | A510309 - 000075--Poop 911 | 130.00 |
| 9/15/2023 | 1888 | A510309 - 000105--Utility Notification Center of CO | 109.65 |
| 9/15/2023 | 1889 | A510309 - 000106--Vargas Property Service Inc | 4,772.09 |
| 9/15/2023 | ACH | A510309 - 000016--City of Brighton | 12,287.30 |
| 9/15/2023 | ACH | A510309 - 000104--United Power Inc | 159.41 |
| 10/19/2023 | 1890 | A510309 - 000011--Brightview Landscape Development, Inc. | 13,821.55 |
| 10/19/2023 | 1891 | A510309 - 000012--Brinkmann Construction | 33,203.88 |
| 10/19/2023 | 1892 | A510309 - 000019--CliftonLarsonAllen LLP | 9,062.40 |
| 10/19/2023 | 1893 | A510309 - 000027--Colorado Lighting, Inc, | 20.00 |
| 10/19/2023 | 1894 | A510309 - 000032--Diversified Underground | 1,255.00 |
| 10/19/2023 | 1895 | A510309 - 000035--DTJ Design, Inc. | 1,035.47 |
| 10/19/2023 | 1896 | A510309 - 000048--Independent Dist. Engineering Services | 2,212.50 |
| 10/19/2023 | 1897 | A510309 - 000063--McGeady Becher, PC | 1,994.87 |
| 10/19/2023 | 1898 | A510309 - 000069--Omerta Storm Water Management | 2,061.15 |
| 10/19/2023 | 1899 | A510309 - 000075--Poop 911 | 90.00 |
| 10/19/2023 | 1900 | A510309 - 000091--Special District Mgmt. Services, Inc | 6,434.84 |
| 10/19/2023 | 1901 | A510309 - 000105--Utility Notification Center of CO | 150.93 |
| 10/19/2023 | 1902 | A510309 - 000106--Vargas Property Service Inc | 4,653.41 |
| 10/19/2023 | ACH | A510309 - 000016--City of Brighton | 15,234.84 |
| 10/19/2023 | ACH | A510309 - 000104--United Power Inc | 160.95 |
| 11/20/2023 | 1903 | A510309 - 000019--CliftonLarsonAllen LLP | 11,432.76 |
| 11/20/2023 | 1904 | A510309 - 000027--Colorado Lighting, Inc, | 20.00 |
| 11/20/2023 | 1905 | A510309 - 000032--Diversified Underground | 540.00 |
| 11/20/2023 | 1906 | A510309 - 000035--DTJ Design, Inc. | 3,079.81 |
| 11/20/2023 | 1907 | A510309 - 000069--Omerta Storm Water Management | 8,857.75 |
| 11/20/2023 | 1908 | A510309 - 000075--Poop 911 | 50.00 |
| 11/20/2023 | 1909 | A510309 - 000080--Redland Consulting Group Inc | 460.00 |
| 11/20/2023 | 1910 | A510309 - 000091--Special District Mgmt. Services, Inc | 4,375.90 |
| 11/20/2023 | 1911 | A510309 - 000105--Utility Notification Center of CO | 103.20 |
| 11/20/2023 | 1912 | A510309 - 000106--Vargas Property Service Inc | 3,879.69 |
| 11/20/2023 | ACH | A510309 - 000016--City of Brighton | 16,660.26 |
| 11/20/2023 | ACH | A510309 - 000104--United Power Inc | 163.26 |
| | | | <u>\$288,968.05</u> |

PRAIRIE CENTER METRO DISTRICT NO. 7

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Prairie Center Metro District No. 7
Balance Sheet - Governmental Funds
September 30, 2023

| | <u>General</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Total</u> |
|--|---------------------|------------------------|-------------------------|------------------------|
| Assets | | | | |
| Checking Account | \$ 50,861.04 | \$ 82,567.77 | \$ 397,980.50 | \$ 531,409.31 |
| UMB - Series 2020 Revenue | - | 690,823.78 | - | 690,823.78 |
| UMB - Series 2020 Reserve | - | 822,520.70 | - | 822,520.70 |
| UMB - Series 2020 Restricted Proj | - | - | 2,648,457.69 | 2,648,457.69 |
| UMB - Series 2020 Unrestricted Proj | - | - | 1,387.78 | 1,387.78 |
| UMB - Series 2020 Bond Interest | - | 225,043.52 | - | 225,043.52 |
| UMB - Series 2020 Mandatory Redemption | - | 6,106.08 | - | 6,106.08 |
| UMB - Series 2021 Sub Project | - | - | 10,642.37 | 10,642.37 |
| Accounts Receivable | 1,941.05 | 176,474.00 | - | 178,415.05 |
| Receivable from County Treasurer | 565.97 | 2,829.89 | - | 3,395.86 |
| Refundable Deposits | - | - | 5,000.00 | 5,000.00 |
| Total Assets | <u>\$ 53,368.06</u> | <u>\$ 2,006,365.74</u> | <u>\$ 3,063,468.34</u> | <u>\$ 5,123,202.14</u> |
| Liabilities | | | | |
| Accounts Payable | \$ 32,138.48 | - | \$ 55,717.84 | \$ 87,856.32 |
| Due to Town Center | - | - | - | - |
| Retainage Payable | - | - | 95,147.59 | 95,147.59 |
| Project management fees payable | - | - | 706,972.69 | 706,972.69 |
| Project management fees interest payable | - | - | 42,827.50 | 42,827.50 |
| Total Liabilities | <u>32,138.48</u> | <u>-</u> | <u>900,665.62</u> | <u>932,804.10</u> |
| Fund Balances | <u>21,229.58</u> | <u>2,006,365.74</u> | <u>2,162,802.72</u> | <u>4,190,398.04</u> |
| Liabilities and Fund Balances | <u>\$ 53,368.06</u> | <u>\$ 2,006,365.74</u> | <u>\$ 3,063,468.34</u> | <u>\$ 5,123,202.14</u> |

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

Prairie Center Metro District No. 7
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2023

| | <u>Annual Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|----------------------|---------------------|-----------------------|
| Revenues | | | |
| Property taxes | \$ 87,357.00 | \$ 86,889.50 | \$ 467.50 |
| Specific ownership taxes | 6,115.00 | 4,369.71 | 1,745.29 |
| Operations and maintenance fee | 148,800.00 | 112,350.00 | 36,450.00 |
| Interest income | - | 9.94 | (9.94) |
| Other revenue | 8,028.00 | 5,347.67 | 2,680.33 |
| Working capital fees | 14,400.00 | 7,600.00 | 6,800.00 |
| Total Revenue | <u>264,700.00</u> | <u>216,566.82</u> | <u>48,133.18</u> |
| Expenditures | | | |
| Accounting | 50,000.00 | 29,788.94 | 20,211.06 |
| Auditing | 5,000.00 | 4,900.00 | 100.00 |
| County Treasurer's fee | 1,310.00 | 1,301.94 | 8.06 |
| Directors' fees | - | 400.00 | (400.00) |
| Dues and membership | 700.00 | 1,237.50 | (537.50) |
| Insurance | 12,000.00 | 10,781.00 | 1,219.00 |
| District management | 30,000.00 | 4,739.00 | 25,261.00 |
| Billing | 24,000.00 | 17,771.64 | 6,228.36 |
| Legal | 27,000.00 | 10,226.98 | 16,773.02 |
| Miscellaneous | 11,090.00 | 13,114.48 | (2,024.48) |
| Election | 12,000.00 | 1,845.96 | 10,154.04 |
| Repairs and maintenance - District Tracts | 1,500.00 | 180.00 | 1,320.00 |
| Landscaping - District Tracts | 55,000.00 | 33,244.24 | 21,755.76 |
| Landscape maintenance - Park | 10,000.00 | - | 10,000.00 |
| Community management | 35,000.00 | 24,951.69 | 10,048.31 |
| Tree care program | 30,000.00 | - | 30,000.00 |
| Snow removal | 20,000.00 | 11,063.27 | 8,936.73 |
| Pet Station services | 2,500.00 | 958.00 | 1,542.00 |
| Underdrain system maintenance | 15,000.00 | - | 15,000.00 |
| Site lighting | 2,400.00 | - | 2,400.00 |
| Irrigation Water- DistrictTracts | 110,000.00 | 52,743.28 | 57,256.72 |
| Electricity - District Tracts | 2,500.00 | 1,049.68 | 1,450.32 |
| Total Expenditures | <u>457,000.00</u> | <u>220,297.60</u> | <u>236,702.40</u> |
| Other Financing Sources (Uses) | | | |
| Developer advance | 195,700.00 | 43,584.55 | 152,115.45 |
| Total Other Financing Sources (Uses) | <u>195,700.00</u> | <u>43,584.55</u> | <u>152,115.45</u> |
| Net Change in Fund Balances | 3,400.00 | 39,853.77 | (36,453.77) |
| Fund Balance - Beginning | 4,600.00 | (18,624.19) | 23,224.19 |
| Fund Balance - Ending | <u>\$ 8,000.00</u> | <u>\$ 21,229.58</u> | <u>\$ (13,229.58)</u> |

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

Prairie Center Metro District No. 7
Debt Service Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2023

| | <u>Annual Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------|------------------------|------------------------|------------------------|
| Revenues | | | |
| Property taxes | \$ 436,795.00 | \$ 434,457.41 | \$ 2,337.59 |
| Specific ownership taxes | 30,576.00 | 21,849.00 | 8,727.00 |
| Interest income | 20,000.00 | 53,608.41 | (33,608.41) |
| Facilities fees | 210,000.00 | 147,000.00 | 63,000.00 |
| Credit public improvement fees | 138,600.00 | 116,699.25 | 21,900.75 |
| Add-On public improvement fees | 138,600.00 | 116,699.26 | 21,900.74 |
| Drainage impact fees | 320,600.00 | 261,060.00 | 59,540.00 |
| Rebated City fees | 439,205.00 | 310,810.60 | 128,394.40 |
| Neighborhood Park impact fees | 137,970.00 | 96,579.00 | 41,391.00 |
| Total Revenue | <u>1,872,346.00</u> | <u>1,558,762.93</u> | <u>313,583.07</u> |
| Expenditures | | | |
| County Treasurer's fee | 6,552.00 | 6,509.87 | 42.13 |
| Paying agent fees | 10,000.00 | 4,000.00 | 6,000.00 |
| Bond interest | 403,985.00 | 209,428.12 | 194,556.88 |
| Bond principal | 1,450,000.00 | 400,000.00 | 1,050,000.00 |
| Contingency | 14,463.00 | - | 14,463.00 |
| Total Expenditures | <u>1,885,000.00</u> | <u>619,937.99</u> | <u>1,265,062.01</u> |
| Net Change in Fund Balances | (12,654.00) | 938,824.94 | (951,478.94) |
| Fund Balance - Beginning | <u>1,041,916.00</u> | <u>1,067,540.80</u> | <u>(25,624.80)</u> |
| Fund Balance - Ending | <u>\$ 1,029,262.00</u> | <u>\$ 2,006,365.74</u> | <u>\$ (977,103.74)</u> |

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

Prairie Center Metro District No. 7
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2023

| | <u>Annual Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|------------------------|-----------------------|
| Revenues | | | |
| Interest income | \$ 30,000.00 | \$ 111,968.00 | \$ (81,968.00) |
| Credit public improvement fees - PRI | 34,650.00 | 29,174.81 | 5,475.19 |
| Total Revenue | <u>64,650.00</u> | <u>141,142.81</u> | <u>(76,492.81)</u> |
| Expenditures | | | |
| Accounting | 34,000.00 | 19,860.26 | 14,139.74 |
| District management | 20,000.00 | 3,159.34 | 16,840.66 |
| Legal | 18,000.00 | 9,536.34 | 8,463.66 |
| Project management fee | 43,000.00 | 46,734.29 | (3,734.29) |
| Project management fee interest | 28,650.00 | - | 28,650.00 |
| Engineering | 5,000.00 | 11,487.62 | (6,487.62) |
| Contingency | 100,650.00 | - | 100,650.00 |
| PPI | | | |
| Village 1 - Phase 3 | - | 15,006.47 | (15,006.47) |
| Village 1 - Phase 4 | 1,000,000.00 | 907,124.88 | 92,875.12 |
| DPI | | | |
| Village 1 - Phase 3 | - | 43,943.73 | (43,943.73) |
| Village 1 - Phase 4 | - | 464,820.15 | (464,820.15) |
| Total Expenditures | <u>1,249,300.00</u> | <u>1,521,673.08</u> | <u>(272,373.08)</u> |
| Other Financing Sources (Uses) | | | |
| Repay developer advance | (3,500,000.00) | (1,453,050.00) | (2,046,950.00) |
| Developer advance | 2,700,000.00 | 1,841,218.14 | 858,781.86 |
| Developer advance - Project Management Fee | 71,650.00 | 46,734.29 | 24,915.71 |
| Total Other Financing Sources (Uses) | <u>(728,350.00)</u> | <u>434,902.43</u> | <u>(1,163,252.43)</u> |
| Net Change in Fund Balances | (1,913,000.00) | (945,627.84) | (967,372.16) |
| Fund Balance - Beginning | 4,349,322.00 | 3,108,430.56 | 1,240,891.44 |
| Fund Balance - Ending | <u>\$ 2,436,322.00</u> | <u>\$ 2,162,802.72</u> | <u>\$ 273,519.28</u> |

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Prairie Center Metropolitan District No. 7 (District) is a quasi-municipal corporation located in the City of Brighton, Adams County, Colorado and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized on June 6, 2006, concurrently with Prairie Center Metropolitan District Nos 3-6 and 8-10, pursuant to an order and decree of the Adams County District Court. The Service Plan for the District was approved by the City of Brighton on February 21, 2006, modified on November 13, 2006, and amended and restated on November 4, 2008, and modified on April 14, 2013.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including streets, transportation, drainage improvements, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translation and mosquito and pest control services. The District is authorized to operate and maintain any improvements not otherwise conveyed to the City or other entities.

During elections held on May 2, 2006, a majority of the District's electors authorized general obligation indebtedness of \$6,790,000,000, for the above listed facilities, intergovernmental agreements and debt refunding. Additionally, on May 2, 2006, the District's voters authorized the District to collect, retain and spend all revenues in excess of TABOR spending, revenue raising or other limitations.

Pursuant to the Service Plans of District Nos. 2–10, the maximum aggregate principal of debt that may be incurred by all of such Districts, together with District No. 1, collectively, is \$750,000,000.

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

Revenues

Property Taxes

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

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes (Continued)

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

The change in assessment ratio allows the District to adjust its mill levy. Accordingly, the District adjusted its mill levy to 11.031 for operations and 55.156 for debt service.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

Interest Income

Investment earned on the District's available funds has been estimated based on historical interest earnings.

Developer Advances

A portion of operations, maintenance, and capital costs of the District is expected to be funded by the Developer.

Operations and Capital Fees

The District established an operations fee of \$360 per year on each residential lot along with a one-time capital fee of \$200 upon closing to cover the costs of operations and maintaining the District improvements. In 2023, the District increases the operations fees to \$600 per year.

Facilities Fees, Credit PIF, Add-On PIF, Drainage Impact Fees, Rebated City Fees, and Neighborhood Park Impact Fees

The District entered into an Intergovernmental Agreement Regarding Assignment of Revenues (the IGA) with Prairie Center Metro District No. 3 (District No. 3). Per the IGA, District No. 3 agrees to transfer to the District its rights to receive revenues as set forth in the IGA that are directly attributable to Village I. District No. 3 is relieved from providing any public improvements or management services related to Village I as it is being developed by the District, separately from the remaining development.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Facilities Fees, Credit PIF, Add-On PIF, Drainage Impact Fees, Rebated City Fees, and Neighborhood Park Impact Fees – (continued)

These assigned revenues include:

- *Facilities Fees* – being assessed for the use of the District’s improvements. The facilities fee is \$3,000 per single-family, detached dwelling unit, due on or before the date of issuance of a building permit by the City of Brighton.
- *Credit and Add-On PIF* – being assessed on use tax transactions and collected at the time of building permit issuance. The Credit PIF is calculated as 1.25% of 50% of the project valuation. The Add-On PIF is calculated as 1.00% of 50% of the project valuation.
- *Drainage Impact Fees* – the City of Brighton shall reimburse the District, on a quarterly basis from building permits issued, for the design, financing and construction of the stormwater improvements.
- *Rebated City Fees* – the City of Brighton shall remit a per-lot rebated fee to the District, on a quarterly basis from certificates of occupancy issued, in the amount of \$6,756.75 per single-family residential lot for a total reimbursement not to exceed \$2,500,000 at the completion of the Village 1 Subdivision.
- *Neighborhood Park Impact Fees* - the City of Brighton has agreed to remit the Neighborhood Park Impact Fees to the District as reimbursement for the costs of construction of certain Neighborhood Park Improvements in the amount of \$1,971 per residential unit.

Expenditures

General and Administrative

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.

Operations and Maintenance

Operations and maintenance expenditures include estimated expenditures for improvements within the District related to repairs and maintenance, landscaping maintenance, park maintenance, utility costs and snow removal.

Treasurer’s Fees

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

Debt Service

Payments on Series 2020 Bonds are based on the amount of funds available. Therefore, a scheduled amortization has not been included in the budget.

Series 2021 Subordinate Bonds are also structured as cash flow bonds. A debt amortization schedule has not been provided as payments are made when funds are available.

Capital Outlay

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

Debt and Leases

Limited Tax General Obligation Bonds, Series 2020

The District issued Series 2020 Limited Tax General Obligation Bonds on August 12, 2020, in the par amount of \$12,225,000. Proceeds from the sale of the Bonds will be used to finance a portion of the costs of constructing certain public infrastructure to serve the Development and certain other property within Prairie Center and repay advances made by the Developer to the District to construct such public infrastructure. A portion of the proceeds of the Bonds will also be used to fund: (a) the Reserve Fund, (b) capitalized interest on the Bonds; and (c) costs of issuing the Bonds. The Bonds will be issued as two term bonds. The first term bond bears interest at 4.125% and matures on December 15, 2036. The second term bond bears interest at 4.875% and matures on December 15, 2044. Interest on the Bonds is payable semi-annually on June 15 and December 15 (“Interest Payment Dates”), beginning on December 15, 2020, to the extent of available Pledged Revenue.

The Bonds are structured as “cash flow” bonds, meaning that no regularly scheduled payments of principal are due on the term Bonds prior to their respective maturity dates. Instead, principal is payable on each June 15 and December 15 from available Pledged Revenue, if any, pursuant to a mandatory redemption, after paying interest due on such Interest Payment Date and after funding in full interest coming due on the next Interest Payment Date (the “Subsequent Interest Payment Date”), less any amounts on deposit in such account, including any deposits from capitalized interest. To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid. To the extent interest on any Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the Bond.

The Bonds are secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Mill Levy net of the cost of collection, Specific Ownership Taxes attributable to the Required Mill Levy, Pledged PIF Revenues, PILOT revenues (if any), and any other legally available moneys of the District which the District deposits with the Trustee for application as Pledged Revenue. The forecast does not include Pledged PIF or PILOT revenues. The Bonds are also secured by amounts held in the Reserve Fund in the amount \$812,672.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (Continued)

Subordinate Limited Tax General Obligation Bonds, Series 2021

The District issued Subordinate Limited Tax General Obligation Bonds (the Subordinate Bonds) on November 30, 2021, in the par amount of \$3,990,000. Proceeds from the sale of the Subordinate Bonds were used to repay advances made by the Developer to the District to construct such public infrastructure to serve the development and certain other property within Prairie Center, and to pay costs of issuing the Subordinate Bonds.

The Subordinate Bonds bear interest at the rate of 6.375% per annum and are payable annually on December 15, beginning December 15, 2022, but only to the extent of available Subordinate Pledged Revenue. The Subordinate Bonds are structured as “cash flow” bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date of June 15, 2046. Principal on the Subordinate Bonds is payable on each December 15 from, and to the extent of, Subordinate Pledged Revenue available 45 days prior to such December 15.

Accrued unpaid interest on the Subordinate Bonds compounds annually on each December 15 until sufficient Subordinate Pledged Revenue is available for payment or until discharged. In the event that any amount of principal or interest on the Subordinate Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor on December 15, 2056, the Subordinate Bonds will be deemed discharged. No payments are permitted to be made on the Subordinate Bonds until the 2020 Senior Bonds and any other Senior Obligations issued by the District have been paid in full or defeased.

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (Continued)

The following is analysis of anticipated changes in the District’s long-term obligations for the year ending December 31, 2022 and 2023.

| | Balance - December 31, 2021 | Additions | Retirements | Anticipated Balance - December 31, 2022 |
|---------------------------|--|---------------------|---------------------|--|
| Bonds Payable | | | | |
| Series 2020 - Senior | \$ 10,740,000 | \$ - | \$ 1,495,000 | \$ 9,245,000 |
| Series 2021 - Subordinate | 3,990,000 | - | - | 3,990,000 |
| Accrued Interest on Bonds | | | | |
| Series 2021 - Subordinate | 21,197 | 255,820 | - | 277,017 |
| Developer Advances: | | | | |
| Operating | 309,799 | 274,800 | - | 584,599 |
| Capital | 8,411,161 | 6,655,000 | 1,905,000 | 13,161,161 |
| Accrued Interest | | | | |
| Operating | 37,915 | 35,572 | - | 73,487 |
| Capital | 21,604 | 780,000 | 750,000 | 51,604 |
| Funding Fee Payable | 66,557 | 87,000 | - | 153,557 |
| Total | <u>\$ 23,598,233</u> | <u>\$ 8,088,192</u> | <u>\$ 4,150,000</u> | <u>\$ 27,536,425</u> |
| | Anticipated Balance - December 31, 2022 | Additions | Retirements | Anticipated Balance - December 31, 2023 |
| Bonds Payable | | | | |
| Series 2020 - Senior | \$ 9,245,000 | \$ - | \$ 1,450,000 | \$ 7,795,000 |
| Series 2021 - Subordinate | 3,990,000 | - | - | 3,990,000 |
| Accrued Interest on Bonds | | | | |
| Series 2021 - Subordinate | 277,017 | 255,820 | - | 532,837 |
| Developer Advances: | | | | |
| Operating | 584,599 | 195,700 | - | 780,299 |
| Capital | 13,161,161 | 2,700,000 | 2,292,000 | 13,569,161 |
| Accrued Interest | | | | |
| Operating | 73,487 | 71,331 | - | 144,818 |
| Capital | 51,604 | 1,208,000 | 1,208,000 | 51,604 |
| Funding Fee Payable | 153,557 | 137,000 | - | 290,557 |
| Total | <u>\$ 27,536,425</u> | <u>\$ 4,567,851</u> | <u>\$ 4,950,000</u> | <u>\$ 27,154,276</u> |

The District has no outstanding operating or capital leases.

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

Emergency Reserve

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

Debt Service Reserve

The Series 2020 Bonds are also secured by funds to be held by the Trustee in the Reserve Funds, in the required amount of \$812,672.

October 27, 2023

Mike Tamblyn
Board of Directors
Prairie Center Metropolitan District No. 7
c/o CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, Colorado 80111

Dear Mike:

We are pleased to serve as the independent auditors for Prairie Center Metropolitan District No. 7 ("Client") for the year ended December 31, 2023. This letter, together with the attached Terms and Conditions – Attest Engagements, confirms the terms of our engagement, and is collectively referred to herein as the "Letter" or the "Engagement Letter."

Fees

Our fees for this engagement will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of Client, the fee for this engagement will be \$6,000. Expenses for items such as travel, telephone, postage, clerical time, printing, and reproduction of financial statements are included in the fee. Our fee has been determined based on our understanding obtained through discussions with you regarding your preparation for the engagement and your current business operations. To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We expect payment of our billings within 30 days after submission.

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

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

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

Audit Scope and Objectives

We will audit Client's financial statements, as of and for the year ended December 31, 2023, and the disclosures (collectively, the "financial statements"), and if applicable, supplementary information.

Ken Musso
ASSESSOR



Assessor's Office
4430 South Adams County Parkway
2nd Floor, Suite C2100
Brighton, CO 80601-8201
PHONE 720.523.6038
FAX 720.523.6037
www.adcogov.org

AUG 28 2023

August 25, 2023

PRAIRIE CENTER METRO DISTRICT 7
SPECIAL DISTRICT MANAGEMENT SERVICES INC
Attn: ANN E FINN
141 UNION BLVD STE 150
LAKEWOOD CO 80228-1898

To ANN E FINN:

Enclosed is the 2023 preliminary valuation. This valuation along with all other statutory requirements is on the enclosed form. A final certification of value will be sent out on or before December 10, 2023.

This value is subject to change by the County Board of Equalization, Board of Assessment Appeals and the State Board of Equalization as provided by law.

Sincerely,

A handwritten signature in black ink, appearing to read 'KM', with a long horizontal flourish extending to the right.

Ken Musso
Adams County Assessor
KM/rmb

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **306 - PRAIRIE CENTER METRO DISTRICT 7**

IN ADAMS COUNTY ON 8/24/2023

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2023 IN ADAMS COUNTY, COLORADO

| | |
|--|--------------|
| 1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | \$7,919,270 |
| 2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: * | \$13,352,010 |
| 3. LESS TIF DISTRICT INCREMENT, IF ANY: | \$0 |
| 4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | \$13,352,010 |
| 5. NEW CONSTRUCTION: ** | \$1,757,010 |
| 6. INCREASED PRODUCTION OF PRODUCING MINES: # | \$0 |
| 7. ANNEXATIONS/INCLUSIONS: | \$0 |
| 8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: # | \$0 |
| 9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.): | \$0 |
| 10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.): | \$0.00 |
| 11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.): | \$0.00 |

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2023 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2023

| | |
|--|---------------|
| 1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @ | \$165,056,713 |
| ADDITIONS TO TAXABLE REAL PROPERTY: | |
| 2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: ! | \$25,972,194 |
| 3. ANNEXATIONS/INCLUSIONS: | \$0 |
| 4. INCREASED MINING PRODUCTION: % | \$0 |
| 5. PREVIOUSLY EXEMPT PROPERTY: | \$0 |
| 6. OIL OR GAS PRODUCTION FROM A NEW WELL: | \$0 |
| 7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: | \$0 |

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY:

| | |
|---|-----|
| 8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: | \$0 |
| 9. DISCONNECTIONS/EXCLUSION: | \$0 |
| 10. PREVIOUSLY TAXABLE PROPERTY: | \$0 |

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

| | |
|--|-----|
| IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:-----> | \$0 |
|--|-----|

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2023

| | |
|--|--|
| IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** | |
| ** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S. | |

Prairie Center Metropolitan District No. 7
Annual Budget
For Year Ending December 31, 2024

**PRAIRE CENTER METROPOLITAN DISTRICT NO. 7
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

11/29/23

| | ACTUAL 2022 | BUDGET 2023 | ACTUAL 9/30/2023 | ESTIMATED 2023 | BUDGET 2024 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| BEGINNING FUND BALANCES | \$ 6,129,094 | \$ 5,395,838 | \$ 4,157,348 | \$ 4,157,348 | \$ 2,026,310 |
| REVENUES | | | | | |
| Property taxes | 373,636 | 524,152 | 521,347 | 524,152 | 919,393 |
| Specific ownership taxes | 26,415 | 36,691 | 26,219 | 36,376 | 64,358 |
| Operations and maintenance fee | 67,140 | 148,800 | 112,350 | 153,000 | 222,000 |
| Interest income | 101,009 | 50,000 | 165,586 | 210,010 | 150,000 |
| Developer advance | 6,894,348 | 2,895,700 | 1,884,803 | 2,541,797 | 1,440,766 |
| Facilities fees | 204,000 | 210,000 | 147,000 | 196,000 | 150,000 |
| Other revenue | 11,631 | 8,028 | 5,348 | 7,000 | 10,000 |
| Developer advance - Project Management Fee | - | 71,650 | 46,734 | 66,500 | 10,000 |
| Credit public improvement fees | 134,632 | 138,600 | 116,699 | 155,600 | 100,000 |
| Add-On public improvement fees | 134,632 | 138,600 | 116,699 | 155,600 | 100,000 |
| Credit public improvement fees - PRI | 33,658 | 34,650 | 29,175 | 34,650 | 25,000 |
| Drainage impact fees | 384,720 | 320,600 | 261,060 | 329,760 | 229,000 |
| Rebated City fees | 513,514 | 439,205 | 310,811 | 412,166 | 337,850 |
| Neighborhood Park impact fees | 157,286 | 137,970 | 96,579 | 126,144 | 98,550 |
| Administrative costs transfer fee | 15,800 | 14,400 | 7,600 | 10,600 | 15,000 |
| Total revenues | <u>9,052,421</u> | <u>5,169,046</u> | <u>3,848,010</u> | <u>4,959,355</u> | <u>3,871,917</u> |
| Total funds available | <u>15,181,515</u> | <u>10,564,884</u> | <u>8,005,358</u> | <u>9,116,703</u> | <u>5,898,227</u> |
| EXPENDITURES | | | | | |
| General and administrative | 3,330,147 | 3,924,415 | 1,621,185 | 3,117,352 | 2,379,000 |
| Operations and maintenance | 271,163 | 307,900 | 141,962 | 223,750 | 313,000 |
| Debt service | 1,967,172 | 1,853,985 | 609,428 | 1,710,000 | 2,050,000 |
| Capital projects | 5,455,685 | 1,005,000 | 1,442,383 | 2,039,291 | 103,000 |
| Total expenditures | <u>11,024,167</u> | <u>7,091,300</u> | <u>3,814,958</u> | <u>7,090,393</u> | <u>4,845,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>11,024,167</u> | <u>7,091,300</u> | <u>3,814,958</u> | <u>7,090,393</u> | <u>4,845,000</u> |
| ENDING FUND BALANCES | <u>\$ 4,157,348</u> | <u>\$ 3,473,584</u> | <u>\$ 4,190,400</u> | <u>\$ 2,026,310</u> | <u>\$ 1,053,227</u> |
| EMERGENCY RESERVE | \$ 4,900 | \$ 8,000 | \$ 6,500 | \$ 8,000 | \$ 12,400 |
| AVAILABLE FOR OPERATIONS | (23,524) | - | 14,731 | - | - |
| TOTAL RESERVE | <u>\$ (18,624)</u> | <u>\$ 8,000</u> | <u>\$ 21,231</u> | <u>\$ 8,000</u> | <u>\$ 12,400</u> |

No assurance provided. See summary of significant assumptions.

**PRAIRE CENTER METROPOLITAN DISTRICT NO. 7
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

11/29/23

| | ACTUAL 2022 | BUDGET 2023 | ACTUAL 9/30/2023 | ESTIMATED 2023 | BUDGET 2024 |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| ASSESSED VALUATION | | | | | |
| Residential - Single Family | \$ 3,504,610 | \$ 5,620,200 | \$ 5,620,200 | \$ 5,620,200 | \$ 10,531,450 |
| State assessed | 2,980 | 3,290 | 3,290 | 3,290 | 3,870 |
| Vacant land | 1,967,620 | 2,175,020 | 2,175,020 | 2,175,020 | 2,613,670 |
| Personal property | 105,460 | 120,760 | 120,760 | 120,760 | 203,020 |
| Certified Assessed Value | <u>\$ 5,580,670</u> | <u>\$ 7,919,270</u> | <u>\$ 7,919,270</u> | <u>\$ 7,919,270</u> | <u>\$ 13,352,010</u> |
| MILL LEVY | | | | | |
| General | 11.132 | 11.031 | 11.031 | 11.031 | 11.476 |
| Debt Service | 55.664 | 55.156 | 55.156 | 55.156 | 57.382 |
| Total mill levy | <u>66.796</u> | <u>66.187</u> | <u>66.187</u> | <u>66.187</u> | <u>68.858</u> |
| PROPERTY TAXES | | | | | |
| General | \$ 62,124 | \$ 87,357 | \$ 87,357 | \$ 87,357 | \$ 153,228 |
| Debt Service | 310,642 | 436,795 | 436,795 | 436,795 | 766,165 |
| Levied property taxes | 372,766 | 524,152 | 524,152 | 524,152 | 919,393 |
| Adjustments to actual/rounding | 870 | - | (2,805) | - | - |
| Budgeted property taxes | <u>\$ 373,636</u> | <u>\$ 524,152</u> | <u>\$ 521,347</u> | <u>\$ 524,152</u> | <u>\$ 919,393</u> |
| BUDGETED PROPERTY TAXES | | | | | |
| General | \$ 62,269 | \$ 87,357 | \$ 86,890 | \$ 87,357 | \$ 153,228 |
| Debt Service | 311,367 | 436,795 | 434,457 | 436,795 | 766,165 |
| | <u>\$ 373,636</u> | <u>\$ 524,152</u> | <u>\$ 521,347</u> | <u>\$ 524,152</u> | <u>\$ 919,393</u> |

No assurance provided. See summary of significant assumptions.

PRAIRE CENTER METROPOLITAN DISTRICT NO. 7
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

11/29/23

| | ACTUAL 2022 | BUDGET 2023 | ACTUAL 9/30/2023 | ESTIMATED 2023 | BUDGET 2024 |
|---|--------------------|-----------------|---------------------|-------------------|------------------|
| BEGINNING FUND BALANCES | \$ (34,512) | \$ 4,600 | \$ (18,624) | \$ (18,624) | \$ 8,000 |
| REVENUES | | | | | |
| Property taxes | 62,269 | 87,357 | 86,890 | 87,357 | 153,228 |
| Specific ownership taxes | 4,402 | 6,115 | 4,370 | 5,800 | 10,726 |
| Operations and maintenance fee | 67,140 | 148,800 | 112,350 | 153,000 | 222,000 |
| Interest income | 25 | - | 10 | 10 | - |
| Developer advance | 261,800 | 195,700 | 43,585 | 115,857 | 53,446 |
| Administrative costs transfer fee | 15,800 | 14,400 | 7,600 | 10,600 | 15,000 |
| Other revenue | 11,631 | 8,028 | 5,348 | 7,000 | 10,000 |
| Total revenues | <u>423,067</u> | <u>460,400</u> | <u>260,153</u> | <u>379,624</u> | <u>464,400</u> |
| Total funds available | <u>388,555</u> | <u>465,000</u> | <u>241,529</u> | <u>361,000</u> | <u>472,400</u> |
| EXPENDITURES | | | | | |
| General and administrative | | | | | |
| Accounting | 41,653 | 50,000 | 29,789 | 41,000 | 45,000 |
| Auditing | 4,300 | 5,000 | 4,900 | 4,900 | 6,000 |
| County Treasurer's fee | 933 | 1,310 | 1,302 | 1,310 | 2,298 |
| Directors' fees | 1,500 | - | 400 | 1,200 | 1,600 |
| Dues and membership | 581 | 700 | 1,238 | 1,238 | 1,500 |
| Insurance | 9,330 | 12,000 | 10,781 | 10,781 | 12,000 |
| District management | 22,446 | 30,000 | 4,739 | 20,000 | 30,000 |
| Legal | 31,829 | 27,000 | 10,227 | 30,000 | 33,000 |
| Miscellaneous | 13,639 | 11,090 | 13,114 | 16,975 | 15,602 |
| Payroll taxes | 115 | - | - | - | - |
| Election | 9,690 | 12,000 | 1,846 | 1,846 | - |
| Operations and maintenance | | | | | |
| Repairs and maintenance - District Tracts | 1,171 | 1,500 | 180 | 1,500 | 2,500 |
| Repairs and maintenance - Park | 9,975 | - | - | - | - |
| Landscaping - District Tracts | 41,516 | 55,000 | 33,244 | 45,000 | 70,000 |
| Landscape maintenance - Park | 23,236 | 10,000 | - | - | - |
| Tree care program | 25,575 | 30,000 | - | 10,000 | 15,000 |
| Electricity - District Tracts | 1,081 | 2,500 | 1,050 | 1,750 | 2,000 |
| Community management | 22,095 | 35,000 | 24,952 | 33,000 | 35,000 |
| Billing | 26,313 | 24,000 | 17,772 | 24,000 | 24,000 |
| Snow removal | 24,289 | 20,000 | 11,063 | 22,000 | 30,000 |
| Underdrain system maintenance | 1,635 | 15,000 | - | 10,000 | 5,000 |
| Irrigation Water- District Tracts | 93,173 | 110,000 | 52,743 | 75,000 | 95,000 |
| Site lighting | - | 2,400 | - | - | 2,500 |
| Pet Station services | 1,104 | 2,500 | 958 | 1,500 | 2,000 |
| Contingency/Reserve | - | - | - | - | 30,000 |
| Total expenditures | <u>407,179</u> | <u>457,000</u> | <u>220,298</u> | <u>353,000</u> | <u>460,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>407,179</u> | <u>457,000</u> | <u>220,298</u> | <u>353,000</u> | <u>460,000</u> |
| ENDING FUND BALANCES | <u>\$ (18,624)</u> | <u>\$ 8,000</u> | <u>\$ 21,231</u> | <u>\$ 8,000</u> | <u>\$ 12,400</u> |
| EMERGENCY RESERVE | \$ 4,900 | \$ 8,000 | \$ 6,500 | \$ 8,000 | \$ 12,400 |
| AVAILABLE FOR OPERATIONS | (23,524) | - | 14,731 | - | - |
| TOTAL RESERVE | <u>\$ (18,624)</u> | <u>\$ 8,000</u> | <u>\$ 21,231</u> | <u>\$ 8,000</u> | <u>\$ 12,400</u> |

No assurance provided. See summary of significant assumptions.

PRAIRE CENTER METROPOLITAN DISTRICT NO. 7
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

11/29/23

| | ACTUAL 2022 | BUDGET 2023 | ACTUAL 9/30/2023 | ESTIMATED 2023 | BUDGET 2024 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| BEGINNING FUND BALANCES | \$ 1,151,856 | \$ 1,041,916 | \$ 1,067,541 | \$ 1,067,541 | \$ 1,255,630 |
| REVENUES | | | | | |
| Property taxes | 311,367 | 436,795 | 434,457 | 436,795 | 766,165 |
| Specific ownership taxes | 22,013 | 30,576 | 21,849 | 30,576 | 53,632 |
| Credit public improvement fees | 134,632 | 138,600 | 116,699 | 155,600 | 100,000 |
| Add-On public improvement fees | 134,632 | 138,600 | 116,699 | 155,600 | 100,000 |
| Interest income | 33,357 | 20,000 | 53,608 | 70,000 | 50,000 |
| Drainage impact fees | 384,720 | 320,600 | 261,060 | 329,760 | 229,000 |
| Facilities fees | 204,000 | 210,000 | 147,000 | 196,000 | 150,000 |
| Rebated City fees | 513,514 | 439,205 | 310,811 | 412,166 | 337,850 |
| Neighborhood Park impact fees | 157,286 | 137,970 | 96,579 | 126,144 | 98,550 |
| Total revenues | <u>1,895,521</u> | <u>1,872,346</u> | <u>1,558,762</u> | <u>1,912,641</u> | <u>1,885,197</u> |
| Total funds available | <u>3,047,377</u> | <u>2,914,262</u> | <u>2,626,303</u> | <u>2,980,182</u> | <u>3,140,827</u> |
| EXPENDITURES | | | | | |
| General and administrative | | | | | |
| County Treasurer's fee | 4,664 | 6,552 | 6,510 | 6,552 | 11,492 |
| Paying agent fees | 8,000 | 10,000 | 4,000 | 8,000 | 8,000 |
| Contingency | - | 14,463 | - | - | 30,508 |
| Debt Service | | | | | |
| Bond interest | 472,172 | 403,985 | 209,428 | 420,000 | 400,000 |
| Bond Principal | 1,495,000 | 1,450,000 | 400,000 | 1,290,000 | 1,650,000 |
| Total expenditures | <u>1,979,836</u> | <u>1,885,000</u> | <u>619,938</u> | <u>1,724,552</u> | <u>2,100,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>1,979,836</u> | <u>1,885,000</u> | <u>619,938</u> | <u>1,724,552</u> | <u>2,100,000</u> |
| ENDING FUND BALANCES | <u>\$ 1,067,541</u> | <u>\$ 1,029,262</u> | <u>\$ 2,006,365</u> | <u>\$ 1,255,630</u> | <u>\$ 1,040,827</u> |

No assurance provided. See summary of significant assumptions.

**PRAIRE CENTER METROPOLITAN DISTRICT NO. 7
 CAPITAL PROJECTS FUND
 2024 BUDGET
 WITH 2022 ACTUAL AND 2023 ESTIMATED
 For the Years Ended and Ending December 31,**

11/29/23

| | ACTUAL 2022 | BUDGET 2023 | ACTUAL 9/30/2023 | ESTIMATED 2023 | BUDGET 2024 |
|---|---------------------|---------------------|---------------------|-------------------|------------------|
| BEGINNING FUND BALANCES | \$ 5,011,750 | \$ 4,349,322 | \$ 3,108,431 | \$ 3,108,431 | \$ 762,680 |
| REVENUES | | | | | |
| Interest income | 67,627 | 30,000 | 111,968 | 140,000 | 100,000 |
| Developer advance | 6,632,548 | 2,700,000 | 1,841,218 | 2,425,940 | 1,387,320 |
| Developer advance - Project Management Fee | - | 71,650 | 46,734 | 66,500 | 10,000 |
| Credit public improvement fees - PRI | 33,658 | 34,650 | 29,175 | 34,650 | 25,000 |
| Total revenues | <u>6,733,833</u> | <u>2,836,300</u> | <u>2,029,095</u> | <u>2,667,090</u> | <u>1,522,320</u> |
| Total funds available | <u>11,745,583</u> | <u>7,185,622</u> | <u>5,137,526</u> | <u>5,775,521</u> | <u>2,285,000</u> |
| EXPENDITURES | | | | | |
| General and Administrative | | | | | |
| Accounting | 28,064 | 34,000 | 19,860 | 27,000 | 30,000 |
| District management | 14,964 | 20,000 | 3,159 | 16,000 | 20,000 |
| Legal | 20,852 | 18,000 | 9,536 | 20,000 | 22,000 |
| Project management fee | 220,411 | 43,000 | 46,734 | 66,500 | 10,000 |
| Project management fee interest | 40,776 | 28,650 | - | - | - |
| Engineering | 7,716 | 5,000 | 11,488 | 18,000 | 3,000 |
| Contingency | - | 100,650 | - | - | 100,000 |
| Repay developer advance | 2,856,400 | 3,500,000 | 1,453,050 | 2,844,050 | 2,000,000 |
| PPI | | | | | |
| Village 1 - Phase 3 | 119,759 | - | 15,006 | 15,006 | - |
| Village 1 - Phase 4 | 3,462,138 | 1,000,000 | 907,125 | 1,431,465 | 85,000 |
| DPI | | | | | |
| Village 1 - Phase 2 | 23,108 | - | - | - | - |
| Village 1 - Phase 3 | 37,250 | - | 43,944 | 44,000 | - |
| Village 1 - Phase 4 | 1,805,714 | - | 464,820 | 530,820 | 15,000 |
| Total expenditures | <u>8,637,152</u> | <u>4,749,300</u> | <u>2,974,722</u> | <u>5,012,841</u> | <u>2,285,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>8,637,152</u> | <u>4,749,300</u> | <u>2,974,722</u> | <u>5,012,841</u> | <u>2,285,000</u> |
| ENDING FUND BALANCES | <u>\$ 3,108,431</u> | <u>\$ 2,436,322</u> | <u>\$ 2,162,804</u> | <u>\$ 762,680</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Prairie Center Metropolitan District No. 7 (District) is a quasi-municipal corporation located in the City of Brighton, Adams County, Colorado and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized on June 6, 2006, concurrently with Prairie Center Metropolitan District Nos 3-6 and 8-10, pursuant to an order and decree of the Adams County District Court. The Service Plan for the District was approved by the City of Brighton on February 21, 2006, modified on November 13, 2006, and amended and restated on November 4, 2008, and modified on April 14, 2013.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including streets, transportation, drainage improvements, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translation and mosquito and pest control services. The District is authorized to operate and maintain any improvements not otherwise conveyed to the City or other entities.

During elections held on May 2, 2006, a majority of the District's electors authorized general obligation indebtedness of \$6,790,000,000, for the above listed facilities, intergovernmental agreements and debt refunding. Additionally, on May 2, 2006, the District's voters authorized the District to collect, retain and spend all revenues in excess of TABOR spending, revenue raising or other limitations.

Pursuant to the Service Plans of District Nos. 2–10, the maximum aggregate principal of debt that may be incurred by all of such Districts, together with District No. 1, collectively, is \$750,000,000.

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

Revenues

Property Taxes

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

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes (Continued)

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

The change in assessment ratio allows the District to adjust its mill levy. Accordingly, the District adjusted its mill levy to 11.031 for operations and 55.156 for debt service.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

Interest Income

Investment earned on the District's available funds has been estimated based on historical interest earnings.

Developer Advances

A portion of operations, maintenance, and capital costs of the District is expected to be funded by the Developer.

Operations and Administrative Costs Transfer Fees

The District established an operations fee of \$360 per year on each residential lot along with a one-time administrative costs transfer fee of \$200 upon closing to cover the costs of operations and maintaining the District improvements. In 2024, the District increases the operations fee to \$750 per year and the administrative costs transfer fee to \$500 per closing.

Facilities Fees, Credit PIF, Add-On PIF, Drainage Impact Fees, Rebated City Fees, and Neighborhood Park Impact Fees

The District entered into an Intergovernmental Agreement Regarding Assignment of Revenues (the IGA) with Prairie Center Metro District No. 3 (District No. 3). Per the IGA, District No. 3 agrees to transfer to the District its rights to receive revenues as set forth in the IGA that are directly attributable to Village I. District No. 3 is relieved from providing any public improvements or management services related to Village I as it is being developed by the District, separately from the remaining development.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Facilities Fees, Credit PIF, Add-On PIF, Drainage Impact Fees, Rebated City Fees, and Neighborhood Park Impact Fees – (continued)

These assigned revenues include:

- *Facilities Fees* – being assessed for the use of the District’s improvements. The facilities fee is \$3,000 per single-family, detached dwelling unit, due on or before the date of issuance of a building permit by the City of Brighton.
- *Credit and Add-On PIF* – being assessed on use tax transactions and collected at the time of building permit issuance. The Credit PIF is calculated as 1.25% of 50% of the project valuation. The Add-On PIF is calculated as 1.00% of 50% of the project valuation.
- *Drainage Impact Fees* – the City of Brighton shall reimburse the District, on a quarterly basis from building permits issued, for the design, financing and construction of the stormwater improvements.
- *Rebated City Fees* – the City of Brighton shall remit a per-lot rebated fee to the District, on a quarterly basis from certificates of occupancy issued, in the amount of \$6,756.75 per single-family residential lot for a total reimbursement not to exceed \$2,500,000 at the completion of the Village 1 Subdivision.
- *Neighborhood Park Impact Fees* - the City of Brighton has agreed to remit the Neighborhood Park Impact Fees to the District as reimbursement for the costs of construction of certain Neighborhood Park Improvements in the amount of \$1,971 per residential unit.

Expenditures

General and Administrative

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.

Operations and Maintenance

Operations and maintenance expenditures include estimated expenditures for improvements within the District related to repairs and maintenance, landscaping maintenance, park maintenance, utility costs and snow removal.

Treasurer’s Fees

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

Debt Service

Payments on Series 2020 Bonds are based on the amount of funds available. Therefore, a scheduled amortization has not been included in the budget.

Series 2021 Subordinate Bonds are also structured as cash flow bonds. A debt amortization schedule has not been provided as payments are made when funds are available.

Capital Outlay

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

Debt and Leases

Limited Tax General Obligation Bonds, Series 2020

The District issued Series 2020 Limited Tax General Obligation Bonds on August 12, 2020, in the par amount of \$12,225,000. Proceeds from the sale of the Bonds will be used to finance a portion of the costs of constructing certain public infrastructure to serve the Development and certain other property within Prairie Center and repay advances made by the Developer to the District to construct such public infrastructure. A portion of the proceeds of the Bonds will also be used to fund: (a) the Reserve Fund, (b) capitalized interest on the Bonds; and (c) costs of issuing the Bonds. The Bonds will be issued as two term bonds. The first term bond bears interest at 4.125% and matures on December 15, 2036. The second term bond bears interest at 4.875% and matures on December 15, 2044. Interest on the Bonds is payable semi-annually on June 15 and December 15 (“Interest Payment Dates”), beginning on December 15, 2020, to the extent of available Pledged Revenue.

The Bonds are structured as “cash flow” bonds, meaning that no regularly scheduled payments of principal are due on the term Bonds prior to their respective maturity dates. Instead, principal is payable on each June 15 and December 15 from available Pledged Revenue, if any, pursuant to a mandatory redemption, after paying interest due on such Interest Payment Date and after funding in full interest coming due on the next Interest Payment Date (the “Subsequent Interest Payment Date”), less any amounts on deposit in such account, including any deposits from capitalized interest. To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid. To the extent interest on any Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the Bond.

The Bonds are secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Mill Levy net of the cost of collection, Specific Ownership Taxes attributable to the Required Mill Levy, Pledged PIF Revenues, PILOT revenues (if any), and any other legally available moneys of the District which the District deposits with the Trustee for application as Pledged Revenue. The forecast does not include Pledged PIF or PILOT revenues. The Bonds are also secured by amounts held in the Reserve Fund in the amount \$812,672.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (Continued)

Subordinate Limited Tax General Obligation Bonds, Series 2021

The District issued Subordinate Limited Tax General Obligation Bonds (the Subordinate Bonds) on November 30, 2021, in the par amount of \$3,990,000. Proceeds from the sale of the Subordinate Bonds were used to repay advances made by the Developer to the District to construct such public infrastructure to serve the development and certain other property within Prairie Center, and to pay costs of issuing the Subordinate Bonds.

The Subordinate Bonds bear interest at the rate of 6.375% per annum and are payable annually on December 15, beginning December 15, 2022, but only to the extent of available Subordinate Pledged Revenue. The Subordinate Bonds are structured as “cash flow” bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date of June 15, 2046. Principal on the Subordinate Bonds is payable on each December 15 from, and to the extent of, Subordinate Pledged Revenue available 45 days prior to such December 15.

Accrued unpaid interest on the Subordinate Bonds compounds annually on each December 15 until sufficient Subordinate Pledged Revenue is available for payment or until discharged. In the event that any amount of principal or interest on the Subordinate Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor on December 15, 2056, the Subordinate Bonds will be deemed discharged. No payments are permitted to be made on the Subordinate Bonds until the 2020 Senior Bonds and any other Senior Obligations issued by the District have been paid in full or defeased.

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (Continued)

The following is analysis of anticipated changes in the District’s long-term obligations for the year ending December 31, 2023 and 2024.

| | Balance - December 31, 2022 | Additions | Retirements | Anticipated Balance - December 31, 2023 |
|----------------------------------|--|---------------------|---------------------|--|
| Bonds Payable | | | | |
| Series 2020 - Senior | \$ 9,245,000 | \$ - | \$ 1,290,000 | \$ 7,955,000 |
| Series 2021 - Subordinate | 3,990,000 | - | - | 3,990,000 |
| Accrued Interest on Bonds | | | | |
| Series 2021 - Subordinate | 264,961 | 271,254 | - | 536,215 |
| Developer Advances: | | | | |
| Operating | 571,599 | 115,857 | - | 687,456 |
| Capital | 13,002,326 | 2,425,940 | 1,594,050 | 13,834,216 |
| Accrued Interest | | | | |
| Operating | 72,881 | 63,000 | - | 135,881 |
| Capital | 37,511 | 1,250,000 | 1,250,000 | 37,511 |
| Funding Fee Payable | 67,837 | 136,000 | - | 203,837 |
| Total | <u>\$ 27,252,115</u> | <u>\$ 4,262,051</u> | <u>\$ 4,134,050</u> | <u>\$ 27,380,116</u> |
| | Anticipated Balance - December 31, 2023 | Additions | Retirements | Anticipated Balance - December 31, 2024 |
| Bonds Payable | | | | |
| Series 2020 - Senior | \$ 7,955,000 | \$ - | \$ 1,650,000 | \$ 6,305,000 |
| Series 2021 - Subordinate | 3,990,000 | - | - | 3,990,000 |
| Accrued Interest on Bonds | | | | |
| Series 2021 - Subordinate | 536,215 | 288,546 | - | 824,761 |
| Developer Advances: | | | | |
| Operating | 687,456 | 53,446 | - | 740,902 |
| Capital | 13,834,216 | - | 750,000 | 13,084,216 |
| Accrued Interest | | | | |
| Operating | 135,881 | 77,000 | - | 212,881 |
| Capital | 37,511 | 1,250,000 | 1,250,000 | 37,511 |
| Funding Fee Payable | 203,837 | 145,000 | - | 348,837 |
| Total | <u>\$ 27,380,116</u> | <u>\$ 1,813,992</u> | <u>\$ 3,650,000</u> | <u>\$ 25,544,108</u> |

The District has no outstanding operating or capital leases.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2024, as defined under TABOR.

Debt Service Reserve

The Series 2020 Bonds are also secured by funds to be held by the Trustee in the Reserve Funds, in the required amount of \$812,672.

This information is an integral part of the accompanying budget.

RESOLUTION NO. 2023 - 12 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
TO ADOPT THE 2024 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Prairie Center Metropolitan District No. 7 (“District”) has appointed the District Accountant to prepare and submit a proposed 2024 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2023, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 4, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Prairie Center Metropolitan District No. 7:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Prairie Center Metropolitan District No. 7 for the 2024 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 4th day of December, 2023.

Secretary

(SEAL)

EXHIBIT A
(Budget)

I, Peggy Ripko, hereby certify that I am the duly appointed Secretary of the Prairie Center Metropolitan District No. 7, and that the foregoing is a true and correct copy of the budget for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Prairie Center Metropolitan District No. 7 held on December 4, 2023.

By: _____
Secretary

RESOLUTION NO. 2023 - 12 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Prairie Center Metropolitan District No. 7 (“District”) has adopted the 2024 annual budget in accordance with the Local Government Budget Law on December 4, 2023; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2024 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Prairie Center Metropolitan District No. 7:

1. That for the purposes of meeting all general fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Adams County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 4th day of December, 2023.

Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)

I, Peggy Ripko, hereby certify that I am the duly appointed Secretary of the Prairie Center Metropolitan District No. 7, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Prairie Center Metropolitan District No. 7 held on December 4, 2023.

Secretary

RESOLUTION NO. 2023-11-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF _____ METROPOLITAN
DISTRICT AUTHORIZING ADJUSTMENT OF THE DISTRICT MILL LEVY IN
ACCORDANCE WITH THE SERVICE PLAN**

A. Prairie Center Metropolitan District No. 7 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.

B. The District operates pursuant to its Service Plan approved by the City Council for the City of Brighton, in Adams County, Colorado on February 21, 2006, as modified on November 13, 2006, amended and restated on November 4, 2008, and modified on April 14, 2013 (the “**Service Plan**”), which provides the District with the authority to impose mill levies on taxable property. Such mill levies will be the primary source of revenue for repayment of debt service, public improvements, and operations and maintenance costs of the District.

C. The Service Plan authorizes a maximum debt service mill levy of fifty (50) mills (“**Maximum Debt Service Mill Levy**”) and a maximum combined mill levy of sixty (60) mills for operation and maintenance services and debt service (“**Maximum Combined Mill Levy**”).

D. Section VI.C(1) of the Service Plan provides that if, on or after January 1, 2006 (the “**Baseline Year**”), there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the Maximum Debt Service Mill Levy may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board of Directors (the “**Board**”) in good faith (such determination to be binding and final) so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

E. The Service Plan provides that, for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

F. The history of the residential assessment ratio in Colorado since property tax assessment year 1995, as set by the Colorado General Assembly, or as voted by the electors of the State of Colorado, is set forth in **Exhibit A**, attached hereto and incorporated herein by this reference.

G. At the time of the Baseline Year, the residential assessment ratio set by the Colorado General Assembly was 7.96%.

H. In 2022, the Colorado General Assembly (the “**General Assembly**”) passed Senate Bill 22-238, which amended Section 39-1-104.2, C.R.S. by setting the ratio of valuation for:

1. Multi-family residential real property at 6.80% for property tax assessment years 2022 and 2024;
2. Multi-family residential real property at 6.765% for property tax assessment year 2023;
3. Residential real property other than multi-family residential real property at 6.95% for property tax assessment year 2022; and
4. Residential real property other than multi-family residential real property at 6.765% for property tax assessment year 2023.

I. In 2023, the General Assembly passed Senate Bill 23-303, which referred a ballot issue, known as Proposition HH, to the electors of the State of Colorado for the November 7, 2023 election. If Proposition HH passes, the residential assessment rate for both multi-family residential real property and residential real property other than multi-family residential real property will be 6.70% for property tax assessment year 2023.

J. Proposition HH **did not pass** at the November 7, 2023 election, and as a result, the residential assessment rate for both multi-family residential real property and residential real property other than multi-family residential real property will be 6.765% for property tax assessment year 2023 as set forth in Senate Bill 22-238.

[OR]

Proposition HH **passed** at the November 7, 2023 election, as a result, the residential assessment rate for both multi-family residential real property and residential real property other than multi-family residential real property will be 6.70% for property tax assessment year 2023 as set forth in Proposition HH.

K. In compliance with the Service Plan and as authorized by City Council Resolution 2018-96, in order to mitigate the effect of the reduction in the ratio of valuation for residential real property as set by the General Assembly for property tax year 2024, the Board determines it to be in the best interest of the District, its residents, users, property owners, and the public, to adjust the Maximum Debt Service Mill Levy and the Maximum Combined Mill Levy, so that the actual tax revenues to be received by the District are neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment since the Baseline Year.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Prairie Center Metropolitan District No. 7, City of Brighton, Adams County, Colorado:

1. The Board hereby authorizes the adjustment of the Maximum Debt Service Mill Levy and the Maximum Combined Mill Levy to reflect that **Senate Bill 22-238 OR Proposition HH** set the residential assessment rate for both multi-family residential real property and residential real property other than multi-family residential real property at ____% for property tax assessment year 2023, which is a change from the 7.96% ratio of valuation for assessment of residential property as of the Baseline Year.

2. The Service Plan allows for a total mill levy imposition of [REDACTED] mills for the Maximum Debt Service Mill Levy and a total mill levy imposition of [REDACTED] for the Maximum Combined Mill Levy (the “**Adjusted Mill Levies**”) so that District revenues shall be neither diminished nor enhanced as a result of the ratio of valuation for assessment being set at [REDACTED]% for collection year 2024.

3. The Adjusted Mill Levies shall be reflected in the District’s Certification of Tax Levies to be submitted to the Adams County Board of County Commissioners on or before December 15, 2023, for collection in 2024.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION AUTHORIZING ADJUSTMENT OF THE
DISTRICT MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN]**

RESOLUTION APPROVED AND ADOPTED ON November 9, 2023.

**PRAIRIE CENTER METROPOLITAN
DISTRICT NO. 7**

President

Attest:

Secretary

EXHIBIT A

History of Residential Assessment Ratio

| <u>Tax Levy/Assessment Year</u> | <u>Tax Collection Year</u> | <u>Residential Assessment Ratio</u> |
|--|-----------------------------------|--|
| 1995 | 1996 | 10.36% |
| 1996 | 1997 | |
| 1997 | 1998 | 9.74% |
| 1998 | 1999 | |
| 1999 | 2000 | |
| 2000 | 2001 | |
| 2001 | 2002 | 9.15% |
| 2002 | 2003 | |
| 2003 | 2004 | 7.96% |
| 2004 | 2005 | |
| 2005 | 2006 | |
| 2006 | 2007 | |
| 2007 | 2008 | |
| 2008 | 2009 | |
| 2009 | 2010 | |
| 2010 | 2011 | |
| 2011 | 2012 | |
| 2012 | 2013 | |
| 2013 | 2014 | |
| 2014 | 2015 | |
| 2015 | 2016 | |

| | | |
|------|------|---|
| 2016 | 2017 | |
| 2017 | 2018 | 7.20% |
| 2018 | 2019 | |
| 2019 | 2020 | 7.15% |
| 2020 | 2021 | |
| 2021 | 2022 | |
| 2022 | 2023 | 6.95% (other than multi-family) 6.80% (multi-family) |
| 2023 | 2024 | 6.765% [if Prop HH does NOT pass] 6.70% if Prop HH DOES pass] |

Prairie Center Metropolitan District No. 7 Cost Certification



**Report #7
June 2023**

INDEPENDENT
DES
District Engineering
SERVICES

1626 Cole Blvd, Suite 125
Lakewood, CO 80401

Prairie Center Metropolitan District No. 7 Cost Certification

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Cost Certification Report #7

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June 22, 2023

Prairie Center Metropolitan District No. 7 Board
C/o Paula Williams
McGeady Becher, P.C.
450 E 17th Ave, Suite 400
Denver, CO 80203

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 COST CERTIFICATION REPORT #7

INTRODUCTION

Independent District Engineering Services, LLC (Engineer) was hired by the Prairie Center Metropolitan District No. 7 (District) to provide review of expenditures paid by GKT Brighton Residential Development, L.L.C. (Developer). This is to summarize and report the expenditures for the Prairie Center development located in the City of Brighton, Colorado (Project). This Cost Certification report summarizes the Engineer's approach and findings for the Project.

The expenditures for public improvements discussed in this report were paid for by the Developer and are being certified as District eligible in the amount of **\$498,991.75**. From that total, **\$29,340.67** are classified as District Public Improvements (DPI) and **\$469,651.08** are classified as Primary Public Improvements (PPI).

This report generally covers landscaping and roadway improvements in Filing 1.

GOVERNING DOCUMENTS

The following governing documents were used in determining recommendations for District eligible expenses:

- Funding, Acquisition, and Reimbursement Agreement, by and between Prairie Center Metropolitan District No. 7 and GKT Brighton Residential Development, L.L.C., dated October 1, 2017
- First Amendment to Funding, Acquisition, and Reimbursement Agreement, by and between Prairie Center Metropolitan District No. 7 and GKT Brighton Residential Development, L.L.C., dated July 22, 2020.
- Comprehensive Agreement, by and between the City of Brighton, the City of Brighton Water, Sewer, and Drainage Enterprise, THF Prairie Center Development, L.L.C., THF Prairie Center Retail One L.L.C., Prairie Center Metropolitan District No. 1, and Prairie Center Metropolitan District No. 2, dated December 2005.
- Prairie Center Village I Construction Plans, prepared by Redland Consulting Group, Inc., stamped on December 7, 2017

The Engineer used the above governing documents only as a general guideline for eligibility in certification of costs.

ACTIVITIES CONDUCTED

For this report, the following activities were performed:

- Governing documents provided by the District and the Developer were reviewed as the basis for recommendation for this report.
- Invoices provided by the Developer were reviewed. A summary was created and is attached as Attachment B.
- A site visit was conducted. Project improvements were photographed.
- Contact was made with Developer to verify knowledge of the work or services performed.
- Some contract unit items were compared to other projects constructed in the Denver Metropolitan Area.

- A plat was not provided for review. However, from review of the agreements and drawings made available, it appears improvements included in this report were constructed on public property or easements.

ASSUMPTIONS

Due to the specific scope authorized for this report, the following assumptions were made.

- It is assumed that geotechnical pavement designs have been performed and followed. It is assumed materials testing was performed during construction.
- It is our understanding that the Developer will be responsible for all Storm Water Management Practice (SWMP) activities until the conditions of State and Local permits are met. No SWMP inspections or recommendations were conducted as part of this report.
- It is assumed that the contractors have obtained all SWMP permitting in the name of the Developer.
- It is our understanding that all local jurisdiction acceptances will be completed by the Developer as required by the Funding, Acquisition, and Reimbursement Agreement. The District shall have no obligations for local jurisdiction acceptance of infrastructure acquired by the District.
- It is assumed that the Developer has obtained or will obtain final unconditional lien waivers from all contractors performing work or consultants providing services for the Project. It is our recommendation these lien waivers be provided to the District.
- Nothing in this report shall be construed as acceptance of any public infrastructure by any governmental entity, including but not limited to the District. The Developer remains responsible for completing public improvements according to plan and obtaining the proper acceptance by any applicable governmental entity.
- This report was prepared with a specific scope and an elaborate analysis was not performed, but rather a realistic and reasonable analysis to estimate the public expenditures for the invoices provided. A more detailed analysis or submission of additional expenditures may result in adjustments to our cost certification.

DISCUSSION

This report consists of expenditures provided between February of 2023 and May of 2023. The improvements reviewed are generally represented in Attachment B.

Vendor Participation

All contractors, consultants, and vendors whose invoice information was submitted, were evaluated for their participation on the Project and services performed, materials provided, or work completed. A summary of vendor participation is included as Attachment A.

Review of Invoices and Summary of Expenditures

To provide a cost certification of District improvements, invoices provided by the Developer were reviewed. Invoice costs were allocated as District or Non-District and a summary is included as Attachment B. Invoices provided were reviewed to determine that the work and cost value were appropriated correctly, and that proof of payment was provided.

SUMMARY OF EXPENDITURES BY CATEGORY AND SERVICE PLAN DIVISION

The table below provides a summary of expenditures by category and Service Plan division. The major elements of the improvements were allocated across these specific categories.

| Cost Certification Expenditures by Bond Category | | |
|--|---------------------|----------------|
| Category | Amount | Percent |
| <i>District Public Improvements (DPI)</i> | | |
| Water | \$0.00 | 0.00% |
| Sanitary (inc. Storm) | \$0.00 | 0.00% |
| Street | \$29,340.67 | 5.88% |
| Parks and Rec | \$0.00 | 0.00% |
| <i>Primary Public Improvements (PPI)</i> | | |
| Water | \$0.00 | 0.00% |
| Sanitary (inc. Storm) | \$0.00 | 0.00% |
| Street | \$30,904.70 | 6.19% |
| Parks and Rec | \$438,746.38 | 87.93% |
| Total | \$498,991.75 | 100.00% |

FIELD INVESTIGATION RESULTS

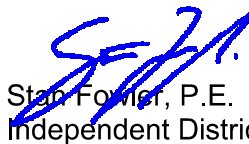
A field investigation was conducted in June 2023. Photos were taken of the Project to memorialize the construction of infrastructure and are included in Attachment C. From our visual inspection, it appears the completed improvements were constructed in a quality manner consistent with other similar projects and meeting generally accepted construction requirements.

RECOMMENDATION

In our professional opinion the expenditures for the improvements were reviewed and found to be reasonable. The costs of improvements are comparable to other similar projects in Colorado. At this time and based on the information provided, the Engineer certifies the expenditures provided by the Developer as District eligible expenditures as shown in Attachment B and subject to the level of review presented in this report. These expenditures are certified in the amount of **\$498,991.75**.

Should you have any questions or require further information please feel free to contact me.

Respectfully Submitted,


Stanley E. Fowler, P.E.
Independent District Engineering Services, LLC

Digitally signed by
Stanley E. Fowler Jr. P.E.
Date: 2023.06.28
10:32:18-06'00"

Attachment A

Vendor Participation

Attachment A

Vendor Participation

Following is a summary of the contractors, consultants and vendor participation in work and services for the report.

Asphalt Specialties, CO. Inc Paving Contractor responsible for Street Improvements on site. After the completion of construction associated with local streets, the retainage release was reviewed in this report. This expenditure was considered eligible for public financing.

Colorado DesignScapes, Inc Landscape and Irrigation Contractor responsible for installing Irrigation systems, landscaping, and stone retaining walls. This work is associated with local streets and district tracts, therefore, classified as Public Improvements. The entire scope reviewed in this report was eligible for public financing.

Attachment B

Expenditure Data

Attachment B
Prairie Center Metropolitan District No. 7

Engineer's Summary for Cost Certification 7

| Invoice # | Invoice Date | Invoice Provided | Check # | Check Date | Description | Invoiced Amount | District Eligible Expenses | Non- Eligible Expenses | Notes |
|--|--------------|------------------|---------|------------|-------------------------------------|---------------------|----------------------------|------------------------|-------|
| Asphalt Specialties, CO. Inc - Schedule C - Asphalt | | | | | | | | | |
| Pay App #4 - Retention Release | 3/7/2023 | Yes | 016323 | 4/10/2023 | Asphalt Contractor | \$57,689.57 | \$57,689.57 | \$0.00 | |
| Subtotal Asphalt Specialties, CO. Inc - Schedule C - Asphalt | | | | | | \$57,689.57 | \$57,689.57 | \$0.00 | |
| Colorado DesignScapes, Inc - Schedule E - Landscape and Irrigation | | | | | | | | | |
| Pay App #11 | 2/20/2023 | Yes | 016313 | 3/10/2023 | Landscape and Irrigation Contractor | \$158,418.36 | \$158,418.36 | \$0.00 | |
| Pay App #12 | 3/20/2023 | Yes | 016315 | 4/10/2023 | Landscape and Irrigation Contractor | \$87,249.42 | \$87,249.42 | \$0.00 | |
| Pay App #13 | 4/20/2023 | Yes | 016334 | 5/10/2023 | Landscape and Irrigation Contractor | \$85,746.63 | \$85,746.63 | \$0.00 | |
| Pay App #14 | 5/20/2023 | Yes | 016334 | 5/10/2023 | Landscape and Irrigation Contractor | \$109,887.77 | \$109,887.77 | \$0.00 | |
| Subtotal Colorado DesignScapes, Inc - Schedule E - Landscape and Irrigation | | | | | | \$441,302.18 | \$441,302.18 | \$0.00 | |
| Total | | | | | | \$498,991.75 | \$498,991.75 | \$0.00 | |

Attachment C

Project Photos

Prairie Center Metropolitan District Site Photos



Overall View – Facing West



S 35th Avenue and Snowy Owl Place – Facing East



Entrance Landscape Improvements – Facing West



Grey Owl Place – Facing West



Pedestrian Connection from Phase 4 to Phase 1B



Entrance Walls and Monument Sign



S 35th Avenue Median Wall and Monument Sign



Entrance Wall and Monument Sign

Prairie Center Metropolitan District No. 7 Cost Certification



**Report #8
September 2023**

INDEPENDENT
DES
District Engineering
SERVICES

1626 Cole Blvd, Suite 125
Lakewood, CO 80401

Prairie Center Metropolitan District No. 7 Cost Certification

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Cost Certification Report #8

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September 21, 2023

Prairie Center Metropolitan District No. 7 Board
C/o Paula Williams
McGeady Becher, P.C.
450 E 17th Ave, Suite 400
Denver, CO 80203

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 COST CERTIFICATION REPORT #8

INTRODUCTION

Independent District Engineering Services, LLC (Engineer) was hired by the Prairie Center Metropolitan District No. 7 (District) to provide review of expenditures paid by GKT Brighton Residential Development, L.L.C. (Developer). This is to summarize and report the expenditures for the Prairie Center development located in the City of Brighton, Colorado (Project). This Cost Certification report summarizes the Engineer's approach and findings for the Project.

The expenditures for public improvements discussed in this report were paid for by the Developer and are being certified as District eligible in the amount of **\$324,339.76**. From that total, **\$0.00** are classified as District Public Improvements (DPI) and **\$324,339.76** are classified as Primary Public Improvements (PPI).

This report generally covers landscaping improvements in Filing 1.

GOVERNING DOCUMENTS

The following governing documents were used in determining recommendations for District eligible expenses:

- Funding, Acquisition, and Reimbursement Agreement, by and between Prairie Center Metropolitan District No. 7 and GKT Brighton Residential Development, L.L.C., dated October 1, 2017
- First Amendment to Funding, Acquisition, and Reimbursement Agreement, by and between Prairie Center Metropolitan District No. 7 and GKT Brighton Residential Development, L.L.C., dated July 22, 2020.
- Comprehensive Agreement, by and between the City of Brighton, the City of Brighton Water, Sewer, and Drainage Enterprise, THF Prairie Center Development, L.L.C., THF Prairie Center Retail One L.L.C., Prairie Center Metropolitan District No. 1, and Prairie Center Metropolitan District No. 2, dated December 2005.
- Prairie Center Village I Construction Plans, prepared by Redland Consulting Group, Inc., stamped on December 7, 2017

The Engineer used the above governing documents only as a general guideline for eligibility in certification of costs.

ACTIVITIES CONDUCTED

For this report, the following activities were performed:

- Governing documents provided by the District and the Developer were reviewed as the basis for recommendation for this report.
- Invoices provided by the Developer were reviewed. A summary was created and is attached as Attachment B.
- A site visit was conducted. Project improvements were photographed.
- Contact was made with Developer to verify knowledge of the work or services performed.
- Some contract unit items were compared to other projects constructed in the Denver Metropolitan Area.

- A plat was not provided for review. However, from review of the agreements and drawings made available, it appears improvements included in this report were constructed on public property or easements.

ASSUMPTIONS

Due to the specific scope authorized for this report, the following assumptions were made.

- It is assumed that geotechnical pavement designs have been performed and followed. It is assumed materials testing was performed during construction.
- It is our understanding that the Developer will be responsible for all Storm Water Management Practice (SWMP) activities until the conditions of State and Local permits are met. No SWMP inspections or recommendations were conducted as part of this report.
- It is assumed that the contractors have obtained all SWMP permitting in the name of the Developer.
- It is our understanding that all local jurisdiction acceptances will be completed by the Developer as required by the Funding, Acquisition, and Reimbursement Agreement. The District shall have no obligations for local jurisdiction acceptance of infrastructure acquired by the District.
- It is assumed that the Developer has obtained or will obtain final unconditional lien waivers from all contractors performing work or consultants providing services for the Project. It is our recommendation these lien waivers be provided to the District.
- Nothing in this report shall be construed as acceptance of any public infrastructure by any governmental entity, including but not limited to the District. The Developer remains responsible for completing public improvements according to plan and obtaining the proper acceptance by any applicable governmental entity.
- This report was prepared with a specific scope and an elaborate analysis was not performed, but rather a realistic and reasonable analysis to estimate the public expenditures for the invoices provided. A more detailed analysis or submission of additional expenditures may result in adjustments to our cost certification.

DISCUSSION

This report consists of expenditures provided between June of 2023 and August of 2023. The improvements reviewed are generally represented in Attachment B.

Vendor Participation

All contractors, consultants, and vendors whose invoice information was submitted, were evaluated for their participation on the Project and services performed, materials provided, or work completed. A summary of vendor participation is included as Attachment A.

Review of Invoices and Summary of Expenditures

To provide a cost certification of District improvements, invoices provided by the Developer were reviewed. Invoice costs were allocated as District or Non-District and a summary is included as Attachment B. Invoices provided were reviewed to determine that the work and cost value were appropriated correctly, and that proof of payment was provided.

SUMMARY OF EXPENDITURES BY CATEGORY AND SERVICE PLAN DIVISION

The table below provides a summary of expenditures by category and Service Plan division. The major elements of the improvements were allocated across these specific categories.

| Cost Certification Expenditures by Bond Category | | |
|--|---------------------|----------------|
| Category | Amount | Percent |
| <i>District Public Improvements (DPI)</i> | | |
| Water | \$0.00 | 0.00% |
| Sanitary (inc. Storm) | \$0.00 | 0.00% |
| Street | \$0.00 | 0.00% |
| Parks and Rec | \$0.00 | 0.00% |
| <i>Primary Public Improvements (PPI)</i> | | |
| Water | \$0.00 | 0.00% |
| Sanitary (inc. Storm) | \$0.00 | 0.00% |
| Street | \$0.00 | 0.00% |
| Parks and Rec | \$324,339.76 | 100.00% |
| Total | \$324,339.76 | 100.00% |

FIELD INVESTIGATION RESULTS

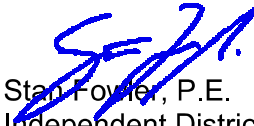
A site visit was conducted in September of 2023. Photos were taken of the Project to memorialize the construction of infrastructure and are included in Attachment C. From our visual inspection, it appears the completed improvements were constructed in a quality manner consistent with other similar projects and meeting generally accepted construction requirements.

RECOMMENDATION

In our professional opinion the expenditures for the improvements were reviewed and found to be reasonable. The costs of improvements are comparable to other similar projects in Colorado. At this time and based on the information provided, the Engineer certifies the expenditures provided by the Developer as District eligible expenditures as shown in Attachment B and subject to the level of review presented in this report. These expenditures are certified in the amount of **\$324,339.76**.

Should you have any questions or require further information please feel free to contact me.

Respectfully Submitted,

 Digitally signed by Stanley E. Fowler Jr. P.E.
Date: 2023.10.26 13:19:57-06'00'

Stan Fowler, P.E.
Independent District Engineering Services, LLC

Attachment A

Vendor Participation

Attachment A

Vendor Participation

Following is a summary of the contractors, consultants and vendor participation in work and services for the report.

Colorado DesignScapes, Inc. Landscape and Irrigation Contractor responsible for installing Irrigation systems and landscaping for the project. This work is associated with local streets and district tracts, therefore, classified as Public Improvements. The entire scope reviewed in this report was eligible for public financing.

Attachment B

Expenditure Data

Attachment B
Prairie Center Metropolitan District No. 7

Engineer's Summary for Cost Certification 8

| Invoice # | Invoice Date | Invoice Provided | Check # | Check Date | Description | Invoiced Amount | District Eligible Expenses | Non- Eligible Expenses | Notes |
|--|--------------|------------------|---------|------------|-------------------------------------|---------------------|----------------------------|------------------------|-------|
| Colorado DesignScapes, Inc - Schedule E - Landscape and Irrigation | | | | | | | | | |
| Pay App #15 | 6/20/2023 | Yes | 016354 | 7/10/2023 | Landscape and Irrigation Contractor | \$32,606.07 | \$32,606.07 | \$0.00 | |
| Pay App #16 | 7/20/2023 | Yes | 016369 | 9/10/2023 | Landscape and Irrigation Contractor | \$198,681.10 | \$198,681.10 | \$0.00 | |
| Pay App #17 | 8/20/2023 | Yes | 016369 | 9/10/2023 | Landscape and Irrigation Contractor | \$93,052.59 | \$93,052.59 | \$0.00 | |
| Subtotal Colorado DesignScapes, Inc - Schedule E - Landscape and Irrigation | | | | | | \$324,339.76 | \$324,339.76 | \$0.00 | |
| Total | | | | | | \$324,339.76 | \$324,339.76 | \$0.00 | |

Attachment C

Project Photos

Prairie Center Metropolitan District Project Photos



Overall View – Facing Southwest



Overall View – Facing West



Landscape Improvements along S 35th Avenue



Landscape Improvements along S 35th Avenue



Landscape Improvements along Median – Facing South



Landscape Improvements along Median – Facing North



Entrance Landscape Improvements



Entrance Landscape Improvements



Special Districts Master Services Agreement

Prairie Center Metro District No. 7
8390 E. Crescent Pkwy., Ste.300, Greenwood Village, CO, 80111
MSA Date: October 15, 2023

This master service agreement (“MSA”) documents the terms, objectives, and the nature and limitations of the services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for Prairie Center Metro District No. 7 (“you,” “your,” “board of directors” or “the district”). The terms of this MSA will apply to the initial and each subsequent statement of work (“SOW”), unless the MSA is changed in a communication that you and CLA both sign or is terminated as permitted herein.

Scope of professional services

CLA will provide services as described in one or more SOW that will reference this MSA. The SOW will describe the scope of professional services; the nature, limitations, and responsibilities related to the specific services CLA will provide; and the fees for such services.

If modifications or changes are required during CLA’s performance of requested services, or if you request that we perform any additional services, we will provide you with a separate SOW for your signature. Such SOW will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Our services cannot be relied upon to disclose errors, fraud, or noncompliance with laws and regulations. Except as described in the scope of professional services section of this MSA or any applicable SOW, we have no responsibility to identify and communicate deficiencies in your internal control as part of any services.

Board of director responsibilities

The board of directors of the district acknowledge and understand that our role is to provide the services identified in one or more SOWs issued per this MSA and that the board of directors of the district has certain responsibilities that are fundamental to our undertaking to perform the identified services. The district may engage CLA to perform management functions to help the board of directors of the district to meet your responsibilities, but the board of directors of the district acknowledges its role in management of the district.

Responsibilities and limitations related to nonattest services

For all nonattest services we may provide to you, you agree to oversee all management services; evaluate

the adequacy and results of the services; ensure that your data and records are complete; and accept responsibility for the results of the services. CLA and the district agree that the foregoing sentence is not intended and shall not be construed to be a limitation of liability for the benefit of CLA nor an exculpatory clause for the benefit of CLA. CLA is and will remain liable to the district for CLA's negligence and gross negligence in the work that it performs under this MSA or under any SOW.

Fees and terms

See the applicable SOW for the fees for the services.

Work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagements will be deemed to have been completed even if we have not completed the services. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures permitted by this MSA through the date of termination.

Payments may be made utilizing checks, Bill.com, your online banking platform, CLA's electronic payment platform, or any other client initiated payment method approved by CLA. CLA's electronic online bill pay platform claconnect.com/billpay accepts credit card and Automated Clearing House (ACH) payments. Instructions for making direct bank to bank wire transfers or ACH payments will be provided upon request.

Other Fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one percent (1.00%), which is an annual percentage rate of 12%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable if and as provided by Colorado law.

Limitation of remedies

Each party agrees that in no event shall the other party be liable for any indirect, special, incidental, consequential, punitive or exemplary damages, or for loss of profits or loss of goodwill, costs, or attorney fees.

The exclusive remedy available to you shall be the right to pursue claims for actual damages related to CLA's acts or omissions in performance of our duties under the terms of this MSA or any SOW issued under this MSA.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. Any legal or equitable action brought by the district to recover on a dispute shall be commenced within the applicable statute of limitations under Colorado state statutes and case law.

CLA shall be authorized to the following cash access services:

- Using any or a combination of the following methods and approval processes, we will pay your vendors and service providers based upon invoices that you have reviewed and approved:
 - Paper checks – we will prepare the checks for your approval and wet ink signature
 - Payments using Bill.com – we will only release payments after you have electronically approved and authorized such payments
 - ACH/Wire – we will use this method as needed/as requested, with your approval

We understand that you will designate one or more members of the board of directors to approve disbursements using the above methods.

- If applicable, access the entity credit card for purposes of purchasing products and services on your behalf up to a certain limit that will be discussed with you and documented separately
- Obtain administrator access to your bank accounts for purposes of performing the duties documented in our engagement letter identified above
- Take deposits to the bank that include cash
- If applicable, have access to cash-in-kind assets, such as coupons
- If applicable, initiate direct deposits or sign checks as part of the payroll processing function

Board of Directors' responsibilities relevant to CLA's access to your cash

All members of your board of directors are responsible for the processes below; however, we understand that you will designate one or more board of directors to review and give approvals for disbursements. All approvals must be documented in writing, either electronically or manually, then formally ratified in board meetings and documented in the meeting minutes.

- Approve all invoices and check payments
- Approve all new vendors and customers added to the accounting system
- Approve non-recurring wires to external parties
- Pre-approve for recurring wires, then board of directors will ratify approval
- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system
- Approve all credit card statements prior to those expenses being processed in the accounting system and subsequently paid

- Approve (or delegate to the CLA controller if applicable) all customer and vendor credit memos and accounts receivable amounts written off
- Review and approve (or delegate to the CLA controller if applicable) all bank statements and affiliated monthly reconciliations

Other provisions

Except as expressly permitted by the “Consent” section of this agreement, CLA shall not disclose any confidential, proprietary, or privileged information of the district or you to any person or party, unless the district or you authorizes us to do so, it is published or released by the district, it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers available to a regulator for its regulatory oversight purposes. We will notify you of any such request, if permitted by law. Access to the requested workpapers will be provided to the regulator under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Insurance:

CLA shall acquire and maintain in full force and effect, during the entire term of the MSA, the insurance coverages set forth in below in order to protect the district including its board of directors, and CLA from claims that arise out of or result from the operations under this MSA by the CLA or its affiliates or by anyone acting on their behalf or for which they may be liable. Failure to maintain the insurance policies shall be a material breach of this MSA and the district may request certificates of insurance reflecting the coverages outlined below.

- A.** Workers’ Compensation Insurance
- B.** Commercial General Liability Insurance
- C.** Commercial Automobile Liability Insurance
- D.** General Professional Liability
- E.** Network Security (Cyber) Liability Insurance
- F.** Excess/Umbrella Liability Coverage

The relationship of CLA with the district shall be solely that of an independent contractor and nothing in this agreement shall be construed to create or imply any relationship of employment, agency, partnership,

or any relationship other than an independent contractor.

If applicable, accounting standards and procedures will be suggested that are consistent with those normally utilized in a district of your size and nature. Internal controls may be recommended relating to the safeguarding of the district's assets. If fraud is initiated by your employees or other service providers, your insurance is responsible for covering any losses.

The district agrees that CLA will assume fiduciary responsibility on the district's behalf during the course of this agreement only if provided in SOWs issued under this MSA; and the parties, in entering into this MSA, do not intend to create an overarching fiduciary relationship.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, it is not appropriate for you to upload protected health information using such applications. All protected health information contained in a document or file that you plan to transmit to us via a web application must be redacted by you to the maximum extent possible prior to uploading the document or file. In the event that you are unable to remove or obscure all protected health information, please contact us to discuss other potential options for transmitting the document or file.

Annual Appropriation and Budget

The district does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. CLA expressly understands and agrees that the district's obligations under this MSA shall extend only to monies appropriated for the purposes of this MSA by the board of directors and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this MSA shall be construed or interpreted as a delegation of governmental powers by the district, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the district or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this MSA shall be construed to pledge or to create a lien on any class or source of district funds. The district's obligations under this MSA exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this MSA.

Governmental Immunity

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

No Third-Party Beneficiaries

It is expressly understood and agreed that enforcement of the terms and conditions of this MSA, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this MSA shall give or allow any such claim or right of action by any third party. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this MSA shall be deemed to be an incidental beneficiary only.

Personal Identifying Information

During the performance of this MSA, the district may disclose Personal Identifying Information to CLA. “Personal Identifying Information” means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver’s license or identification card number; a government passport number; biometric data, as defined in § 24-73-103(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in § 18-5-701(3), C.R.S. In compliance with § 24-73-102, C.R.S., CLA agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to CLA; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

CLA agrees to report within twenty-four (24) hours to the district’s board of directors any Data Security Incidents that may result in the unauthorized disclosure of Personal Identifying Information. For the purposes of this MSA “Data Security Incident” is defined to mean any actual or reasonably suspected: (a) unauthorized use of, or unauthorized access to, CLA systems; (b) inability to access business and other proprietary information, data, or the CLA systems due to a malicious use, attack, or exploit of such business and other proprietary information or systems; (c) unauthorized access to, theft of, or loss of business and other proprietary information, or of storage devices that could reasonably contain such information; (d) unauthorized use of business and other proprietary information or data for purposes of actual or reasonably suspected theft, fraud, or identity theft; (e) unauthorized disclosure of business and other proprietary information or data.

Consent to use financial information

Annually, we assemble a variety of benchmarking analyses using data obtained through our client engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this MSA will serve as your consent to use of Prairie Center Metro District No. 7 information, excluding Personal Identifying Information, in these cost comparison, performance indicator, and/or benchmarking reports.

Technology

CLA may, at times, use third-party software applications to perform services under this agreement. CLA can provide a copy of the application agreement at your request. You acknowledge the software vendor may have access to your data.

Colorado law requires special districts to maintain websites and further requires that certain documents which may be prepared by CLA to be uploaded to those websites. CLA specifically acknowledges and agrees that the district may upload to its website any documents prepared by CLA for the district and further, that those documents may be used in public meetings hosted by or to which the district is a party.

Counterpart Execution

This MSA may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

Electronic Signatures

The parties consent to the use of electronic signatures pursuant to the Uniform Electronic Transactions Act, Sections 24-71.3-101, et seq., Colorado Revised Statutes, as may be amended from time to time. The MSA, and any other documents requiring a signature hereunder, may be signed electronically by the parties in a manner acceptable to the district. The parties agree not to deny the legal effect or enforceability of the MSA solely because it is in electronic form or because an electronic record was used in its formation. The parties agree not to object to the admissibility of the MSA in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

MSA Modification

The MSA may not be amended, altered, or otherwise changed except by a written agreement signed by authorized representatives of the parties.

Termination of MSA

Either party may terminate this MSA at any time by giving 30 days written notice to the other party. In that event, the provisions of this MSA shall continue to apply to all services rendered prior to termination.

Agreement

We appreciate the opportunity to be of service to you and believe this MSA accurately summarizes the significant terms of our relationship. This MSA, along with the applicable SOW(s), constitute the entire agreement regarding services to be performed and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our relationship as described in this MSA, please sign, date, and return.

CliftonLarsonAllen LLP

Thuy Dam
Principal
303-793-1426
thuy.dam@CLAconnect.com

Response

This MSA correctly sets forth the understanding of Prairie Center Metro District No. 7 and is accepted by:

CLA
CliftonLarsonAllen LLP

Thuy Dam

Thuy Dam, Principal

SIGNED 11/2/2023, 5:36:02 PM MDT

Client
Prairie Center Metro District No. 7

SIGN:

Mike Tamblyn, President

DATE:



Special Districts Preparation Statement of Work

Date: November 2, 2023

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and Prairie Center Metro District No. 7 (“you,” “your,” “board of directors” or “the district”) dated October 15, 2023 or any superseding MSA. The purpose of this SOW is to outline certain services you wish us to perform through December 31, 2024 in connection with that agreement.

Scope of professional services

Gigi Pangindian is responsible for the performance of the preparation engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the preparation engagement.

Ongoing normal accounting services:

- Outsourced accounting activities
 - For each fund of the district, CLA will generally prepare and maintain the following accounting records:
 - Cash receipts journal
 - Cash disbursements journal
 - General ledger
 - Accounts receivable journals and ledgers
 - Deposits with banks and financial institutions
 - Schedule of disbursements
 - Bank account reconciliations
 - Investment records
 - Detailed development fee records

- Process accounts payable including the preparation and issuance of checks for approval by the board of directors
- Prepare billings, record billings, enter cash receipts, and track revenues
- Reconcile certain accounts regularly and prepare journal entries
- Prepare depreciation schedules
- Prepare monthly financial statements and supplementary information, but not perform a compilation with respect to those financial statements; additional information is provided below
- Prepare a schedule of cash position to monitor the district's cash deposits, funding for disbursements, and investment programs in accordance with policies established by the district's board of directors and in accordance with state law
- At the direction of the board of directors, assist with the coordination and execution of banking and investment transactions and documentation
- Prepare the annual budget and assist with the filing of the annual budget
- Assist the district's board of directors in monitoring actual expenditures against appropriation/budget
- If an audit is required, prepare the year-end financial statements (additional information is provided below) and related audit schedules for use by the district's auditors
- If an audit is not required, prepare the Application for Exemption from Audit, perform a compilation engagement with respect to the Application for Exemption from Audit, and assist with the filing of the Application for Exemption from Audit – additional information is provided below
- Monitor compliance with bond indentures and trust agreements, including preparation of continuing disclosure reports to the secondary market as required
- Review claims for reimbursement from related parties prior to the board of directors' review and approval
- Read supporting documentation related to the district's acquisition of infrastructure or other capital assets completed by related parties for overall reasonableness and completeness
 - Procedures in excess of providing overall reasonableness and completeness will be subject to a separate SOW

- These procedures may not satisfy district policies, procedures, and agreements' requirements
 - Note: our procedures should not be relied upon as the final authorization for this transaction
- Attend board meetings as requested
 - Be available during the year to consult with you on any accounting matters related to the district
 - Review and approve monthly reconciliations and journal entries prepared by staff
 - Reconcile complex accounts monthly and prepare journal entries
 - Analyze financial statements and present to management and the board of directors
 - Develop and track key business metrics as requested and review periodically with the board of directors
 - Document accounting processes and procedures
 - Continue process and procedure improvement implementation
 - Report on cash flows
 - Assist with bank communications
 - Perform other non-attest services

Compilation services

If an audit is not required, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement with respect to the Application for Exemption from Audit.

Preparation services - financial statements

We will prepare the monthly financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable of the district, which comprise the balance sheet – governmental funds and the related statement of revenues, expenditures, and changes in fund balance – general fund. The financial statements will not include the related notes to the financial statements; the government-wide financial statements; the statement of revenues, expenditures, and changes in fund balances – governmental funds; statement of cash flows for business type activities, if applicable; and required supplementary information.

Preparation services - annual

If an audit is required, we will prepare the year-end financial statements of the government wide governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable, and Management Discussion and Analysis, if applicable, which collectively comprise the basic financial statements of the district, and the related notes to the financial statements. The year-end financial statements, including the related notes to the financial statements, will be prepared for use by the district's auditors.

Preparation services – prospective financial information (i.e., unexpired budget information)

You have requested that we prepare the financial forecast, which comprises the forecasted financial statements identified below.

A financial forecast presents, to the best of management's knowledge and belief, the entity's expected financial position, results of operations, and cash flows for the forecast period. It is based on management's assumptions reflecting conditions it expects to exist and the course of action it expects to take during the forecast period.

The financial forecast will omit substantially all of the disclosures required by the guidelines for presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA presentation guidelines) other than those related to the significant assumptions.

The supplementary information accompanying the financial forecast will be prepared and presented for purposes of additional analysis and is not a required part of the basic financial forecast. References to financial statements in the remainder of this SOW are to be taken as a reference to also include the prospective financial information, where applicable.

Engagement objectives and our responsibilities

The objectives of our engagement are to:

- a)** Prepare monthly financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), except for the departures from U.S. GAAP identified above, based on information provided by you and information generated through our outsourced accounting services.
- b)** As requested, apply accounting and financial reporting expertise to assist you in the presentation of your monthly financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.
- c)** Prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105 based on information provided by you.
- d)** Apply accounting and financial reporting expertise to assist you in the presentation of the annual budget without undertaking to obtain or provide any assurance that there are no material

modifications that should be made to the annual budget in order for the annual budget to be in accordance with requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105.

- e) If an audit is required, prepare the year-end financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) based on information provided by you.
- f) If applicable, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement on the application.

We will conduct our preparation and compilation engagements in accordance with Statements on Standards for Accounting and Review Services (SSARSS) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

Engagement procedures and limitations

We are not required to, and will not, verify the accuracy or completeness of the information provided to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements, the annual budget, the Application for Exemption from Audit (if an audit is not required), the year-end financial statements (if an audit is required), and the supplementary information.

Our engagement cannot be relied upon to identify or disclose any misstatements in the monthly financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements, including misstatements caused by fraud or error, or to identify or disclose any wrongdoing within the district or noncompliance with laws and regulations. However, if any of the foregoing are identified as a result of our engagement, we will promptly report this information to the board of directors of the district. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement, but will promptly report them to the board of directors of the district if they are identified. You agree that we shall not be responsible for any misstatements in the district's financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements that we may not identify as a result of misrepresentations made to us by you.

Our report

The compilation report on the Application for Exemption from Audit will state that management is responsible for the accompanying application included in the prescribed form, that we performed a compilation of the application, that we did not audit or review the application, and that, accordingly, we do not express an opinion a conclusion, nor provide any form of assurance on it. The report will also state that the Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America. The report will include a statement that the 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 and may not be suitable for another

purpose.

There may be circumstances in which the report may differ from its expected form and content. If, for any reason, we are unable to complete the compilation on the Application for Exemption from Audit (if an audit is not required), we will not issue report on the Application for Exemption from Audit as a result of this engagement.

No assurance statements

The monthly financial statements prepared for the district will not be accompanied by a report. However, management agrees that each page of the financial statements will include a statement clearly indicating that no assurance is provided on them.

As part of our preparation of financial statements each page of the financial statements and supplementary information will include the following statement: “No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances – governmental funds have been omitted if applicable, For business type activities, the Statement of Cash Flows has been omitted”.

If an audit is required, the year-end financial statements prepared for use by the district’s auditors will not be accompanied by a report. However, management agrees that each page of the year-end financial statements will include a statement clearly indicating that no assurance is provided on them.

Management responsibilities

The financial statement engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with U.S. GAAP and assist management in the presentation of the financial statements in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.

The annual budget engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105 and assist management in the presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105.

The Application for Exemption from Audit engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor and assist management in the presentation of the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor.

We are required by professional standards to identify management’s responsibilities in this agreement. Professional standards define management as the persons with executive responsibility for the conduct of the district’s operations and may include some or all of those charged with governance. Those standards require that you acknowledge and understand that management has the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- a) The selection of the financial reporting framework to be applied in the preparation of the financial statements, the annual budget, and the Application for Exemption from Audit.
- b) The preparation and fair preparation of the financial statements in accordance with U.S. GAAP, except as identified as above, the preparation and fair presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105, and the preparation and fair presentation of the Application for Exemption from Audit (if applicable) in accordance with the requirements prescribed by the Colorado Office of the State Auditor.
- c) The presentation of the supplementary information.
- d) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that are free from material misstatement, whether due to fraud or error.
- e) The prevention and detection of fraud.
- f) To ensure that the entity complies with the laws and regulations applicable to its activities.
- g) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- h) To provide us with the following:
 - i) Access to all information relevant to the preparation and fair presentation of the financial statements, and the annual budget, the Application for Exemption from Audit (if applicable) such as records, documentation, and other matters.
 - ii) Additional information that may be requested for the purpose of the engagement.
 - iii) Unrestricted access to persons within the entity with whom we determine it necessary to communicate.

We understand that you are engaging us to make recommendations and perform services to help you meet your responsibilities relevant to the preparation and fair presentation of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable).

For all accounting services we may provide to you, including the preparation of your financial statements, the annual budget, and the Application for Exemption from Audit (if applicable), management agrees to assume all management responsibilities; oversee the services by designating an individual (i.e., the board treasurer); evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Fees and terms

Billing rates guaranteed through **December 31, 2024**:

| Services performed by | Rate per hour |
|------------------------------|----------------------|
| Principal | \$300-\$600 |
| Consulting CFO | \$290-\$400 |
| Consulting Controller | \$240-\$380 |
| Assistant Controller | \$210-\$290 |
| Senior | \$150-\$220 |
| Staff | \$130-\$190 |
| Administrative Support | \$120-\$170 |

Subsequent to the billing rate guarantee date, the rates may be adjusted as agreed between you and CLA through a new SOW.

Our professional fees will be billed based on the degree of responsibility and contribution of the professionals working on the engagement. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed.

Use of financial statements, the annual budget, the Application for Exemption from Audit

The financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) are for management's use. If you intend to reproduce and publish the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) and our report thereon, they must be reproduced in their entirety. Inclusion of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

With regard to the electronic dissemination of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that have been subjected to a compilation engagement, including financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial

statements should not be relied on or distributed.

Municipal advisors

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the “Act”). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us to indicate your acknowledgment and understanding of, and agreement with, this SOW.

CliftonLarsonAllen LLP

Gigi Pangindian

Principal

(303) 265-7821

gigi.pangindian@claconnect.com

Response

This SOW correctly sets forth the understanding of Prairie Center Metro District No. 7 and is accepted by:

CLA
CliftonLarsonAllen LLP

Gigi Pangindian

Gigi Pangindian, Principal

SIGNED 11/3/2023, 12:34:04 PM MDT

Client
Prairie Center Metro District No. 7

SIGN:

Mike Tamblyn, President

DATE:



Special Districts Payroll Services Statement of Work

Date: November 2, 2023

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and Prairie Center Metro District No. 7 (“you,” “your,” “board of directors” or “the district”) dated October 15, 2023 or any superseding MSA. The purpose of this SOW is to outline certain services you wish us to perform through December 31, 2024 in connection with that agreement.

Scope of payroll services

We will provide the following payroll preparation services each pay period based on information you provide:

- Perform payroll calculations within ADP
- Facilitate ADP’s preparation of payroll checks and/or pay stubs
- Use ADP to initiate the electronic transfer of funds for employee net pay and payroll tax deposit

We will assist with the preparation of the following government forms, when applicable, for each calendar quarter-end and year-end with the understanding that ADP directly handles filing the payroll tax returns and payments:

- Form 941 – Employers Quarterly Tax Return
- State Employers Quarterly Withholding Return
- State Employers Quarterly Unemployment Return (SUTA)
- Form 940 – Employers Annual Federal Unemployment Tax Return
- All copies of required forms W-2 and W-3 – Transmittal of Tax and Wage Statements (annual)
- All necessary state forms (annual)

Our responsibility to you and limitations of the payroll services

We will prepare your federal and state (when applicable) payroll forms and tax returns.

We will not audit or otherwise verify the accuracy or completeness of the information we receive from you for the preparation of the payroll and related returns, and our engagement cannot be relied upon to uncover errors or irregularities in the underlying information. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our payroll preparation services that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our payroll preparation services regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the entity's payroll that we may not identify as a result of misrepresentations made to us by you.

If applicable, our payroll preparation services will include electronically transmitting management-approved information to taxing authorities and your financial institution to facilitate the electronic transfer of funds.

If applicable, our payroll preparation services will include transmitting management-approved federal Form W-2, federal Form 1099, and payroll data forms to federal and state taxing authorities on your behalf.

CLA's relationship with you shall be solely that of an independent contractor and nothing in the MSA or a SOW shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

Your responsibilities

It is your responsibility to provide us with all of the information needed to prepare complete and accurate payrolls and to facilitate ADP's preparation of payroll tax returns. We will have no obligations with regards to a particular payroll or withholding taxes and filing returns in a particular state or local tax jurisdiction until you have provided such information to us.

Additionally, it is your responsibility to provide us with all of the information needed to facilitate ADP's preparation of payroll tax returns. We will have no obligations with regards to particular withholding taxes and filing returns in a particular state or local tax jurisdiction until you have provided such information to us.

Specifically, your responsibilities include:

- Accuracy of information used in the preparation of the payrolls and payroll tax returns.
- Review and approval of paychecks or paystubs prior to issuance, and payroll registers for each pay period prior to submission of payroll information to ADP.
- Evaluation of information used in the preparation and filing of all government forms for accuracy.

- Before submission of payroll information to ADP, review and approval of each electronic funds transfer to be initiated on your behalf for employee net pay amounts, payroll tax, withholding liabilities, and related benefit amounts.
- One-time authorization to your financial institution for it to make transfers and direct deposits in accordance with future instructions from ADP.
- One-time authorization for ADP to submit tax filings and complete electronic fund transfers on your behalf.
- Sign or approve ADP issuance of all physical and/or electronic payroll checks.

If applicable, we will advise you with regard to tax positions taken in the preparation of the payroll forms and tax returns, but the responsibility for the payroll forms and tax returns remains with you.

Even if you have authorized CLA to file your employment tax returns and make your business and/or employment tax payments for you, please be aware that you are responsible for the timely filing of employment tax returns and the timely payment of business and/or employment taxes. Therefore, the Internal Revenue Service recommends that you enroll in the U.S. Department of the Treasury Electronic Federal Tax Payment System (EFTPS) to monitor your account and ensure that timely tax payments are being made for you. You may enroll in the EFTPS online at www.eftps.gov, or call 800-555-4477 for an enrollment form. Individual states have similar programs that allow you to monitor your account. A list of links by state is provided online at <http://www.americanpayroll.org/weblink/statelocal-wider/>.

Fees and terms

The billing rates (guaranteed through one year from 1st payroll live date) for these services are as follows:

| Services performed by | Rate per hour |
|------------------------------|----------------------|
| Payroll Analyst I | \$90-\$95 |
| Payroll Analyst II | \$100-\$110 |
| Senior Payroll Analyst | \$125-\$130 |

Subsequent to the billing rate guarantee date, the rates may be adjusted as agreed between you and CLA through a new SOW.

Our professional fees will be billed based on the degree of responsibility and contribution of the professionals working on the engagement. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees

billed.

This agreement will automatically renew for one year from the rate guarantee expiration date unless it is cancelled in writing at least 30 days prior to the expiration date or is changed by the mutual signing of a new SOW. The terms of the applicable MSA shall continue to govern this SOW if the SOW is automatically renewed.

We do not anticipate encountering the need to perform additional services beyond those described in this letter. Below are examples of services considered to be outside the scope of our engagement. We will bill you for additional services you would like us to provide at an hourly fee at periodic dates after the additional service has been performed.

- Reprocessing for corrected information provided to us subsequent to original payroll
- Preparation of non-standard reports
- Calculation of fringe benefit additions
- Processing retirement plan contribution payments
- Preparation of retirement plan and other census information
- Responding to workers compensation insurance audits
- Responding to employment verification requests
- Preparation of additional state tax registrations
- Preparation of amended payroll tax returns
- Responding to tax notices

Tax examinations

All government forms and returns are subject to potential examination by the IRS and state taxing authorities. In the event of an examination, we will be available, at your request, to assist or represent you subject to a separate SOW. Services in connection with tax examinations are not included in our fee for preparation of your payroll returns. Our fee for such services will be billed to you separately, along with any direct costs pursuant to a separate SOW.

Record retention

You are responsible for retaining all documents, records, payroll journals, canceled checks, receipts, or other evidence in support of information and amounts reported in your payroll records and on your quarterly and calendar year-end payroll forms and tax returns. These items may be necessary in the event the taxing authority examines or challenges your returns. These records should be kept for at least seven years. Your copy of the payroll forms and tax returns should be retained indefinitely.

In preparing the payrolls, payroll forms, and tax returns, we rely on your representation that you understand and have complied with these documentation requirements. You are responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of your financial records.

All of the records that you provide to us to prepare your payrolls and related forms and tax returns will be returned to you after our use. Our working papers, including any copies of your records that we chose to make, are our property and will be retained by us in accordance with our established records retention policy. This policy states, in general, that we will retain our working papers for a period of seven years. After this period expires, our working papers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time our records are available. The working papers and files of our firm are not a substitute for the records of you.

Tax consulting services

This SOW also covers tax consulting services that may arise for which the entity seeks our consultation and advice, both written and oral, that are not the subject of a separate SOW. These additional services are not included in our fees for the preparation of the payroll and related federal and state forms and tax returns.

We will base our tax analysis and conclusions on the facts you provide to us, and will not independently verify those facts. We will review the applicable tax authority rules, all of which are subject to change. At your request, we will provide a memorandum of our conclusions. Written advice provided by us is for the entity's information and use only and is not to be provided to any third party without our express written consent.

Unless we are separately engaged to do so, we will not continuously monitor and update our advice for subsequent changes or modifications to the tax regulations, or to the related judicial and administrative interpretations.

Legal compliance

The entity agrees to assume sole responsibility for full compliance with all applicable federal and state laws, rules or regulations, and reporting obligations that apply to the entity or the entity's business, including the accuracy and lawfulness of any reports the entity submits to any government regulator, authority, or agency. The entity also agrees to be solely responsible for providing legally sufficient substantiation, evidence, or support for any reports or information supplied by the entity to any governmental or regulatory body, or for any insurance reimbursement in the event that the entity is requested to do so by any lawful authority. CLA, its successors, affiliates, officers, and employees do not assume or undertake any duty to perform or to be responsible in any way for any such duties, requirements, or obligations.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us to indicate your acknowledgment and understanding of, and agreement with, this SOW.

CliftonLarsonAllen LLP

Thuy Dam
Principal
303-793-1426
thuy.dam@CLAconnect.com

Response

This SOW correctly sets forth the understanding of Prairie Center Metro District No. 7 and is accepted by:

CLA
CliftonLarsonAllen LLP

Thuy Dam

Thuy Dam, Principal

SIGNED 11/2/2023, 5:38:20 PM MDT

Client
Prairie Center Metro District No. 7

SIGN:

Mike Tamblyn, President

DATE:



Special Districts Billing Services Statement of Work

Date: November 2, 2023

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and Prairie Center Metro District No. 7 (“you,” “your,” “board of directors” or “the district”) dated October 15, 2023 or any superseding MSA. The purpose of this SOW is to outline certain services you wish us to perform through December 31, 2024 in connection with that agreement.

Scope of professional services

Thuy Dam is responsible for the performance of the engagement and other services identified in this agreement.

Billing services:

- Customer calls or emails
- Develop payment arrangements for past due customers
- Late notice inquiries
- Owner/renter changes
- Title company inquiries
- HOA specific inquiries
- Lockbox processing
- Manual payments
- Inventory analyses/processing
- Late notice processing
- Account adjustments

- Customer setups
- Payment processing and online payment processing
- Monthly accounting/financial management interface
- Prepare accounts receivable report as requested by the board

Engagement objectives and our responsibilities

Provide periodic billing and collection services to customers as requested and/or in accordance with the organization’s policies.

Fees and terms

Billing rates guaranteed through December 31, 2024:

| Services performed by | Rate per hour |
|-------------------------------|----------------------|
| Additional Accounting Support | \$90-\$400 |
| Supervisor/Director | \$200-\$240 |
| Senior Technician | \$145-\$175 |
| Technician | \$105-\$130 |

Subsequent to the billing rate guarantee date, the rates may be adjusted as agreed between you and CLA through a new SOW.

Our professional fees will be billed based on the degree of responsibility and contribution of the professionals working on the engagement. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed.

Unless otherwise stated in the organization’s fee and collections resolution, CLA Billing Services staff shall be authorized to execute penalty or fee waivers per account, per calendar year, not to exceed \$100 in the aggregate. Any penalty or fee waivers in excess of \$100, per account, or any additional waivers requested by individual account holders must be approved by the board of directors.

Municipal advisors

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the “Act”). CLA is not

recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us to indicate your acknowledgment and understanding of, and agreement with, this SOW.

CliftonLarsonAllen LLP

Thuy Dam

Principal

303-793-1426

thuy.dam@CLAconnect.com

Response

This SOW correctly sets forth the understanding of Prairie Center Metro District No. 7 and is accepted by:

CLA
CliftonLarsonAllen LLP

Thuy Dam

Thuy Dam, Principal

SIGNED 11/2/2023, 5:38:45 PM MDT

Client
Prairie Center Metro District No. 7

SIGN:

Mike Tamblyn, President

DATE:

MEMORANDUM OF UNDERSTANDING

Prairie Center Village I Subdivision Phase 3 Pipe Maintenance

This MEMORANDUM OF UNDERSTANDING (“Memorandum”) is hereby entered into this ___ day of _____ 20__ (the “Effective Date”) by and between the CITY OF BRIGHTON, COLORADO, a home rule municipality (the “City”), with an address at 500 South 4th Avenue, Brighton, CO 80601, Attn: Director of Utilities, and PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 (the “District”), with an address at 141 Union Boulevard, Suite 150, Lakewood, CO 80228.

This Memorandum sets forth the understanding between the City and the District with respect to maintenance of the sanitary sewer pipe located within Black Hawk Place (the “Pipe”). The District agrees to hydro-jet and clean Pipe from SSMH 13-4 to SSMH 13-3, as shown in Exhibit A, not less than once every twelve (12) months (“Maintenance”). District shall provide City receipts to evidence compliance with the Maintenance obligation. The District shall perform Maintenance until the earlier to occur of (i) the City’s written acceptance of responsibility for Maintenance or (ii) 50 years after the Effective Date. Upon the City’s acceptance of such responsibility or the expiry of 50 years, this Memorandum will terminate automatically and be of no further effect.

The District and City hereby recognize that no special relationship has been created between the parties by virtue of this Memorandum. It is expressly understood and agreed that the enforcement of all terms and conditions of this Memorandum and all rights and actions relating thereto shall be strictly reserved to the parties hereto, and nothing herein shall give or allow any claim or right of action to or by any other third party to this Memorandum.

This Memorandum shall run with land and be binding for the benefit and in favor of, and be enforceable by, the City, its successors and assigns, against the District, its successor and assigns.

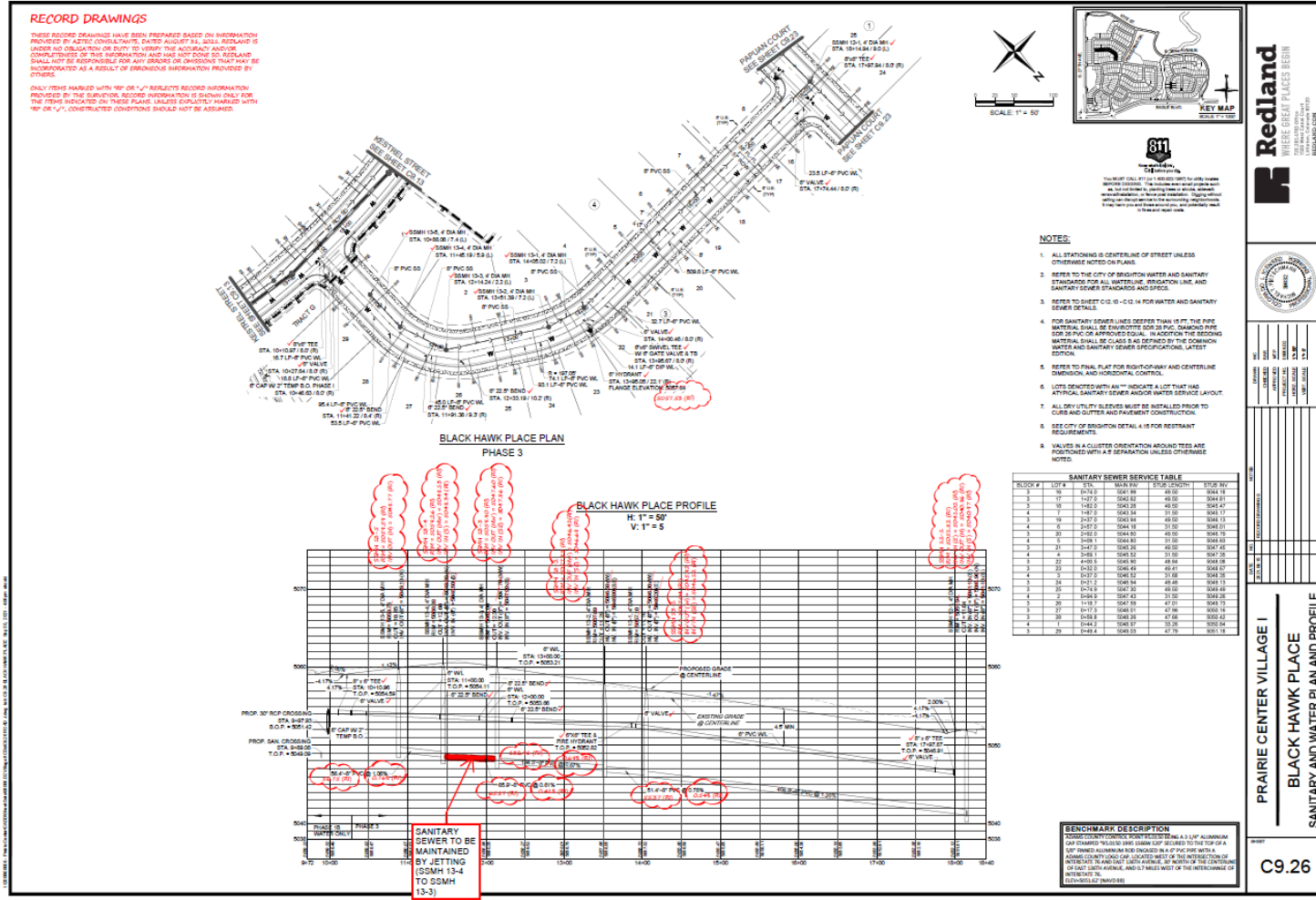
This Memorandum may be executed in counterparts and/or facsimile counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

The laws of the State of Colorado shall govern this Memorandum.

[Remainder of page intentionally left blank; signature page follows.]

EXHIBIT A
Pipe Location

EXHIBIT A - PIPE LOCATION



| | |
|----------|--|
| DATE | |
| BY | |
| CHECKED | |
| APPROVED | |
| SCALE | |
| DATE | |

PRAIRIE CENTER VILLAGE I
BLACK HAWK PLACE
SANITARY AND WATER PLAN AND PROFILE

C9.26

RESOLUTION NO. 2023-12-__

**SECOND AMENDED AND RESTATED RESOLUTION OF
THE BOARD OF DIRECTORS OF
PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 REGARDING
THE IMPOSITION OF DISTRICT FEES**

- A. Prairie Center Metropolitan District No. 7 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado located in the City of Brighton, Adams County, Colorado (the “**County**”).
- B. The District’s boundaries are described in the legal description attached hereto as **Exhibit A**, which legal description may be amended from time to time, pursuant to the inclusion and/or exclusion of property into or from the District (the “**Property**”).
- C. The District, pursuant to its Service Plan approved by the City of Brighton, Colorado, is authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance and provide for the operation and maintenance of certain improvements generally described in the Special District Act, including without limitation, street improvements, safety protection improvements, park and recreation improvements and related irrigation systems, television relay and translator facilities, and mosquito and pest control systems (the “**District Improvements**”).
- D. The Property will benefit from the District Improvements and the Districts’ operation and maintenance of the same.
- E. The District is authorized pursuant to Section 32-1-1001(1)(j)(I), C.R.S., and its Service Plan to fix fees and charges for capital costs and operation and maintenance costs.
- F. Pursuant to the determination by the District’s Board of Directors (the “**Board**”) that, to meet the costs associated with the District Improvements and the cost of operating and maintaining the District Improvements, it was necessary to impose an “Operations Fee” and a “Capital Working Fee” (as such terms are defined below) on the Property, the Board adopted that certain Resolution No. 2019-05-02 Regarding the Imposition of District Fees (“**Original Fee Resolution**”), as recorded on July 13, 2019, in the real property records of the County at Reception No. 2019000058369.
- G. Upon determining that the rate of the Operations Fee as established by the Original Fee Resolution was insufficient to pay the ongoing operation and maintenance costs of the District Improvements, the Board adopted that certain Resolution No. 2022-11-06 First Amended and Restated Resolution Regarding the Imposition of District Fees, as recorded on November 29, 2022, in the real property records of the County at Reception No. 2022000093795 (“**First Amended and Restated Fee Resolution**”), which replaced and superseded in its entirety the Original Fee Resolution.
- H. The Board has now determined that, because of increases in ongoing operations, maintenance and repair costs, that it is necessary and appropriate to increase the rate of the “Fees” (as defined below) as set forth in this Second Amended and Restated Resolution Regarding the

Imposition of District Fees (this “**Resolution**”), which shall replace and supersede in its entirety the First Amended and Restated Fee Resolution effective as of January 1, 2024, at which time the First Amended and Restated Fee Resolution shall be of no further force or effect.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7, CITY OF BRIGHTON, ADAMS COUNTY, COLORADO, AS FOLLOWS:

1. The Board of Directors hereby finds, determines and declares that it is in the best interests of the District, its inhabitants and taxpayers to exercise its power by imposing the following fees:

(a) Operations Fee.

(i) Effective on January 1, 2024, the Board hereby imposes an operations and maintenance fee (the “**Operations Fee**”) in the amount of \$750.00 per year on each residential lot (each, a “**Lot**” and collectively, “**Lots**”) within the District. The first Operations Fee payment for a Lot shall become due and payable to the District at closing on the initial sale of such Lot with a completed residence thereon by a homebuilder to the initial homeowner (the “**Initial Payment Date**”), such Operations Fee amount pro-rated for the portion of the calendar quarter then remaining. The District reserves the right to amend this resolution in the future to increase or decrease the amount of the Operations Fee.

(ii) Thereafter, following the Initial Payment Date, the Operations Fee shall be payable on a quarterly basis and shall be due by the 23rd day of each calendar quarter (meaning, January 23rd, April 23rd, July 23rd and October 23rd) (each, a “**Payment Date**”). An invoice will be mailed to each property owner (“**Owner**”) on or before December 31st, March 31st, June 30th and September 30th of each year (the “**Bill Date**”). If payment in full is not received by 5:00 p.m. on the Payment Date (the “**Past Due Date**”), the Operations Fee is deemed past due and otherwise outstanding. A “Reminder Notice” may be, but is not required to be, sent at such time.

(iii) Failure to make payment of any Operations Fees due hereunder shall constitute a default in the payment of such Operations Fees. Upon default, a late fee of \$15.00 shall be added to the amount due and payable (the “**Late Fee**”).

(iv) If the Owner does not make payment of all past due amounts, including the Late Fee (the “**Delinquent Balance**”), within 60 days from the Past Due Date, the District may deliver to the Owner a Notice of Intent to File a Lien Statement (a “**Lien Notice**”). The Lien Notice shall give notice to the Owner that the District intends to perfect its lien against the Property by recording a Lien Statement in the office of the Adams County Clerk and Recorder if the Delinquent Balance is not paid in full within thirty (30) days after said Lien Notice is served upon Owner by certified mail, return receipt requested, pursuant to Section 38-22-109(3), C.R.S.

(b) Administrative Costs Transfer Fee.

(i) Effective on January 1, 2024, the Board hereby imposes an administrative costs transfer fee (the “**Administrative Costs Transfer Fee**” and, collectively with the Operations Fee, the “**Fees**”) in the amount of \$500.00 per Lot and shall be due and payable at the

same time as the Initial Payment Date for the Operations Fee, and thereafter, at the time of any sale, transfer or re-sale of a Lot with a completed residence thereon. It is noted that the Administrative Costs Transfer Fee was formerly referred to as the Working Capital Fee. The Board has determined that Administrative Costs Transfer Fee more accurately describes the purpose and intent for which this fee was imposed, which is to offset the costs incurred by the District when ownership of a Lot is transferred to a new owner including, but not limited to, providing notice to title companies to update their records, establish a new billing account and other administrative services related to the transfer of ownership.

2. The Fees shall not be imposed on real property actually conveyed or dedicated to non-profit owners' associations, governmental entities or utility providers.

3. The Fees shall constitute a statutory and perpetual charge and lien upon the Property pursuant to Section 32-1-1001(1)(j), C.R.S., from the date the same becomes due and payable until paid. The lien shall be perpetual in nature as defined by the laws of the State of Colorado on the Property and shall run with the land and such lien may be foreclosed by the District in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens. This Resolution shall be recorded in the real property records of the Clerk and Recorder of Adams County, Colorado.

4. The District shall be entitled to institute such remedies and collection proceedings as may be authorized under Colorado law, including, but not limited to, foreclosure of its perpetual lien. The defaulting Owner shall pay all costs, including attorney fees, incurred by the District in connection with the foregoing.

5. Judicial invalidation of any of the provisions of the Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstances shall not affect the validity of the remainder of the Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

6. Any inquiries pertaining to the Fees may be directed to the Prairie Center Community Manager at: Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, phone number: 303-987-0835.

7. This Resolution shall take effect immediately upon its adoption and approval.

APPROVED AND ADOPTED THIS 4th day of December, 2023.

**PRAIRE CENTER METROPOLITAN
DISTRICT NO. 7**, a quasi-municipal corporation
and political subdivision of the State of Colorado

By: _____
President

Attest:

By: _____
Secretary

EXHIBIT A

Legal Description of the Property

Prairie Center Village I Subdivision Filing No. 1, according to the plat thereof recorded in the real property records of Adams County, Colorado, at Reception No. 2017000114002, County of Adams, State of Colorado.

RESOLUTION NO. 2023-12-____
PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
RESOLUTION AMENDING POLICY ON COLORADO OPEN RECORDS ACT
REQUESTS

A. On December 4, 2013, Prairie Center Metropolitan District No. 7 (the “**District**”) adopted Resolution No. 2013-12-03 Regarding Colorado Open Records Act Requests (as amended on December 10, 2014 and October 22, 2021, the “**Resolution**”), in which the District adopted a policy related to Colorado Open Records Act Requests (the “**Policy**”).

B. In 2023, the Colorado General Assembly enacted Senate Bill 23-286, which provided for certain changes in the law related to Colorado Open Records Act Requests

C. The District desires to amend the Policy due to the legislative changes set forth in Senate Bill 23-286.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Prairie Center Metropolitan District No. 7, City of Brighton, Adams County, Colorado:

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Resolution.

2. Amendments to Policy. The Policy is hereby amended as follows:

(a) Amendment to Section 3 of the Resolution. Section 3 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“3. Within the period specified in Section 24-72-203(3)(a), C.R.S., as amended from time to time, the Official Custodian shall notify the record requester that a copy of the record is available, but will only be sent to the requester once the custodian either receives payment or makes arrangements for receiving payment for all costs associated with records transmission and for all other fees lawfully allowed, unless recovery of all or any portion of such costs or fees has been waived by the Official Custodian, or where prohibited or limited by law. Upon either receiving such payment or making arrangements to receive such payment at a later date, the Official Custodian shall provide the record(s) to the requester as soon as practicable, but no more than three (3) business days after receipt of, or making arrangements to receive, such payment.”

(b) Amendment to Section 5 of the Resolution. Section 5 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“5. The Official Custodian shall not charge a per-page fee for providing records in a digital or electronic format.”

(c) Amendment to Section 7 of the Resolution. Section 7 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“7. All requests for copies or inspection of public records of the District shall be submitted to the Official Custodian in writing. Such requests shall be delivered by the Official Custodian to the District’s legal counsel for review and legal advice regarding the lawful availability of records requested and related matters, including without limitation, whether to deny inspection or production of certain records or information for reasons set forth in Sections 24-72-204(2) and (3), C.R.S., as amended from time to time. The District may, from time to time, designate specific records for which written requests are not required and with respect to which review by legal counsel is not required; i.e., service plans, rules and regulations, minutes, etc. Such designations shall occur in the minutes of the meetings of the District.”

3. Except as expressly set forth herein, the Resolution continues to be effective without modification.

RESOLUTION APPROVED AND ADOPTED on December 4, 2023.

**PRAIRIE CENTER METROPOLITAN
DISTRICT NO. 7**

By: _____
President

Attest:

Secretary

**SERVICE AGREEMENT FOR
LANDSCAPE MAINTENANCE OF DISTRICT TRACTS – VILLAGE I**

THIS SERVICE AGREEMENT FOR LANDSCAPE MAINTENANCE OF DISTRICT TRACTS (“Agreement”) is entered into as of November 10, 2022, and effective as of October 1, 2022, by and between PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and VARGAS PROPERTY SERVICES, a Colorado corporation (the “Consultant”) (each a “Party” and, collectively, the “Parties”).

RECITALS

A. The District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements in accordance with its service plan.

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District.

C. The Consultant has experience in providing the services, as set forth in **Exhibit A** hereto, attached and incorporated herein (the “Services”), and is willing to provide such Services to the District for reasonable consideration.

D. The Parties desire to enter into this Agreement to establish the terms by which the Consultant will provide the Services to the District.

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

I. CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional consultant in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Consultant does hereby warrant that the quality of the Services shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District's consultants to assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Consultant shall be obligations of the Consultant and the Consultant shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Consultant shall have no right or authority, expressed or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Consultant shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Consultant is an independent contractor, as provided in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Consultant or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Consultant shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Consultant for the Services performed as provided herein. The District shall not be responsible for the Consultant's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Consultant is not entitled to workers' compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Consultant shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Consultant shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Work Product. "**Work Product**" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is

and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.5, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.5. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

II. COMPENSATION

2.1 Compensation. The Consultant shall be paid as set forth in **Exhibit A** attached hereto with a total contract amount not to exceed \$39,449.74, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as **Exhibit B** ("Change Order").

2.2 Monthly Invoices and Payments. The Consultant shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Consultant is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in **Exhibit A**, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation; District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on October 1, 2022, and shall expire on September 30, 2023. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination.

(a) The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least thirty (30) days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least thirty (30) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

(b) Notwithstanding any provision herein to the contrary, the Agreement shall terminate automatically and be of no further force or effect upon the occurrence of (a) the Consultant's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; or (b) administrative dissolution (or other legal process not initiated by the Consultant dissolving the Consultant as a legal entity) that is not remedied or cured within sixty (60) days of the effective date of such dissolution or other process.

The District shall pay the Consultant for all Services satisfactorily performed through the termination date.

IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Consultant hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the "**Indemnitees**"), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys' fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Consultant and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Consultant shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least "A:XIII" by A.M. Best Company. The Consultant shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Consultant shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Consultant's cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Consultant. The Consultant shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Consultant shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers' Compensation Insurance required below, the Consultant must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Consultant provides the certificates evidencing such insurance and Workers' Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers' Compensation Insurance. A Workers' Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer's Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers' Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Consultant from any obligations, responsibilities or liabilities under this Agreement.

V. MISCELLANEOUS

5.1 Assignment. The Consultant shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and of no effect.

5.2 Modification; Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the District or the Consultant unless the same is in writing and duly executed by the Parties.

5.3 Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

5.4 Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

5.5 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the County of Adams, Colorado.

5.6 Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

5.7 Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the Consultant any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the Consultant shall be for the sole and exclusive benefit of the District and the Consultant.

5.8 Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via FedEx or other nationally recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District: Prairie Center Metropolitan District No. 7
141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
Phone: (303) 987-0835
Email: afinn@sdmsi.com
Attn: Ann Finn

With a Copy To: McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203
Phone: (303) 592-4380
Email: legalnotices@specialdistrictlaw.com

To Consultant: Vargas Property Services, Inc.
270 Interlocken Boulevard
Broomfield, CO 80021
Phone: (303) 466-9196
Email: elena@vventuresco.com
Attn: Elena Vargas

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

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default; provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and

regulations of the jurisdiction in which the Agreement is performed. The Consultant declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

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

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SERVICE AGREEMENT]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

Consultant:

By: _____
Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by _____, as _____ of Vargas Property Services, Inc.

Witness my hand and official seal.

My commission expires: _____

Notary Public

District:
**PRAIRIE CENTER METROPOLITAN
DISTRICT NO. 7**

By: _____
President

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by Michael Tamblyn, as President of Prairie Center Metropolitan District No. 7.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A
SCOPE OF SERVICES AND COMPENSATION

| Description | Qty | Rate | Total |
|--|-----|----------|--------------------|
| Contract Maintenance (October 2022 – 2023): Turf Mowing, Edging, Weed Control, Tree, Shrub, Litter Control Maintenance (Weekly), Spring and Fall Clean-up, Aeration x 1 year, Native Mows 2 x year (March 2023 – September 2023) | 28 | 871.47 | 24,401.20 |
| Irrigation System Bi-Weekly Checks – Spring Start Up & Winterizing Irrigation System (March 2023 – September 2023) | 15 | 382.50 | 5,737.50 |
| Weed Control Application 2x year & Fertilization 2x year | 2 | 2,142.72 | 4,285.44 |
| Litter Control & Disposal (Weekly October through December 2022 & January through February 2023) | 12 | 418.80 | 5,025.60 |
| TOTAL | | | \$39,449.74 |

EXHIBIT B

FORM OF CHANGE ORDER

| | |
|--|--|
| Change Order No: | Date Issued: |
| Name of Agreement: Service Agreement for Landscape Maintenance of District Tracts | |
| Date of Agreement: November 10, 2022 | District(s): Prairie Center Metropolitan District No. 7 |
| Other Party/Parties: Vargas Property Services, Inc. | |

CHANGE IN SCOPE OF SERVICES (describe):

| | |
|--|--|
| CHANGE IN AGREEMENT PRICE: | CHANGE IN TERM OF AGREEMENT: |
| Original Price: \$ _____ | Original Term: Expires _____, 20____ |
| Increase of this Change Order: \$ _____ | New Term: Expires _____, 20____ |
| Price with all Approved Change Orders: \$ _____ | Agreement Time with all Approved Change Orders: _____ |

| |
|------------------|
| APPROVED: |
| By: _____ |
| District |

| |
|-------------------|
| APPROVED: |
| By: _____ |
| Consultant |

SERVICE AGREEMENT FOR SNOW REMOVAL

THIS SERVICE AGREEMENT FOR SNOW REMOVAL (“Agreement”) is entered into on November 10, 2022, and effective as of November 10, 2022, by and between PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and MAGNUM SNOW REMOVAL, INC., a Colorado corporation (the “Consultant”) (each a “Party” and, collectively, the “Parties”).

RECITALS

A. The District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements in accordance with its service plan.

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District.

C. The Consultant has experience in providing the services, as set forth in Exhibit A hereto, attached and incorporated herein (the “Services”), and is willing to provide such Services to the District for reasonable consideration.

D. The Parties desire to enter into this Agreement to establish the terms by which the Consultant will provide the Services to the District.

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

I. CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional consultant in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Consultant does hereby warrant that the quality of the Services shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District's consultants to assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Consultant shall be obligations of the Consultant and the Consultant shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Consultant shall have no right or authority, expressed or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Consultant shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Consultant is an independent contractor, as provided in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Consultant or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Consultant shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Consultant for the Services performed as provided herein. The District shall not be responsible for the Consultant's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Consultant is not entitled to workers' compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Consultant shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Consultant shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Work Product. **"Work Product"** shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is

and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.5, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.5. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

II. COMPENSATION

2.1 Compensation. The Consultant shall be paid as set forth in Exhibit B attached hereto on a time and materials basis, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as Exhibit C ("Change Order").

2.2 Monthly Invoices and Payments. The Consultant shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Consultant is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in Exhibit B, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation; District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on the date set forth above, and shall expire on May 31, 2023, or until such time as repairs of damages, if any, caused by the Consultant as set forth in Exhibit A are completed. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination.

(a) The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least thirty (30) days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least thirty (30) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

(b) Notwithstanding any provision herein to the contrary, the Agreement shall terminate automatically and be of no further force or effect upon the occurrence of (a) the Consultant's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; or (b) administrative dissolution (or other legal process not initiated by the Consultant dissolving the Consultant as a legal entity) that is not remedied or cured within sixty (60) days of the effective date of such dissolution or other process.

The District shall pay the Consultant for all Services satisfactorily performed through the termination date.

IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Consultant hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the "Indemnitees"), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys' fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Consultant and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Consultant shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least "A:XIII" by A.M. Best Company. The Consultant shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Consultant shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Consultant's cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Consultant. The Consultant shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Consultant shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers' Compensation Insurance required below, the Consultant must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Consultant provides the certificates evidencing such insurance and Workers' Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers' Compensation Insurance. A Workers' Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer's Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers' Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Consultant from any obligations, responsibilities or liabilities under this Agreement.

V. MISCELLANEOUS

5.1 Assignment. The Consultant shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and of no effect.

5.2 Modification; Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the District or the Consultant unless the same is in writing and duly executed by the Parties.

5.3 Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

5.4 Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

5.5 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the County of Adams, Colorado.

5.6 Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

5.7 Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the Consultant any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the Consultant shall be for the sole and exclusive benefit of the District and the Consultant.

5.8 Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via FedEx or other nationally recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District: Prairie Center Metropolitan District No. 7
141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
Phone: (303) 987-0835
Email: afinn@sdmsi.com
Attn: Ann Finn

With a Copy To: McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203
Phone: (303) 592-4380
Email: legalnotices@specialdistrictlaw.com

To Consultant: Magnum Snow Removal, Inc.
270 Interlocken Boulevard
Broomfield, CO 80021
Phone: (303) 466-9196
Email: elena@vventuresco.com
Attn: Elena Vargas

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

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default; provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and regulations of the jurisdiction in which the Agreement is performed. The Consultant declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

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

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

EXHIBIT A
SCOPE OF SERVICES

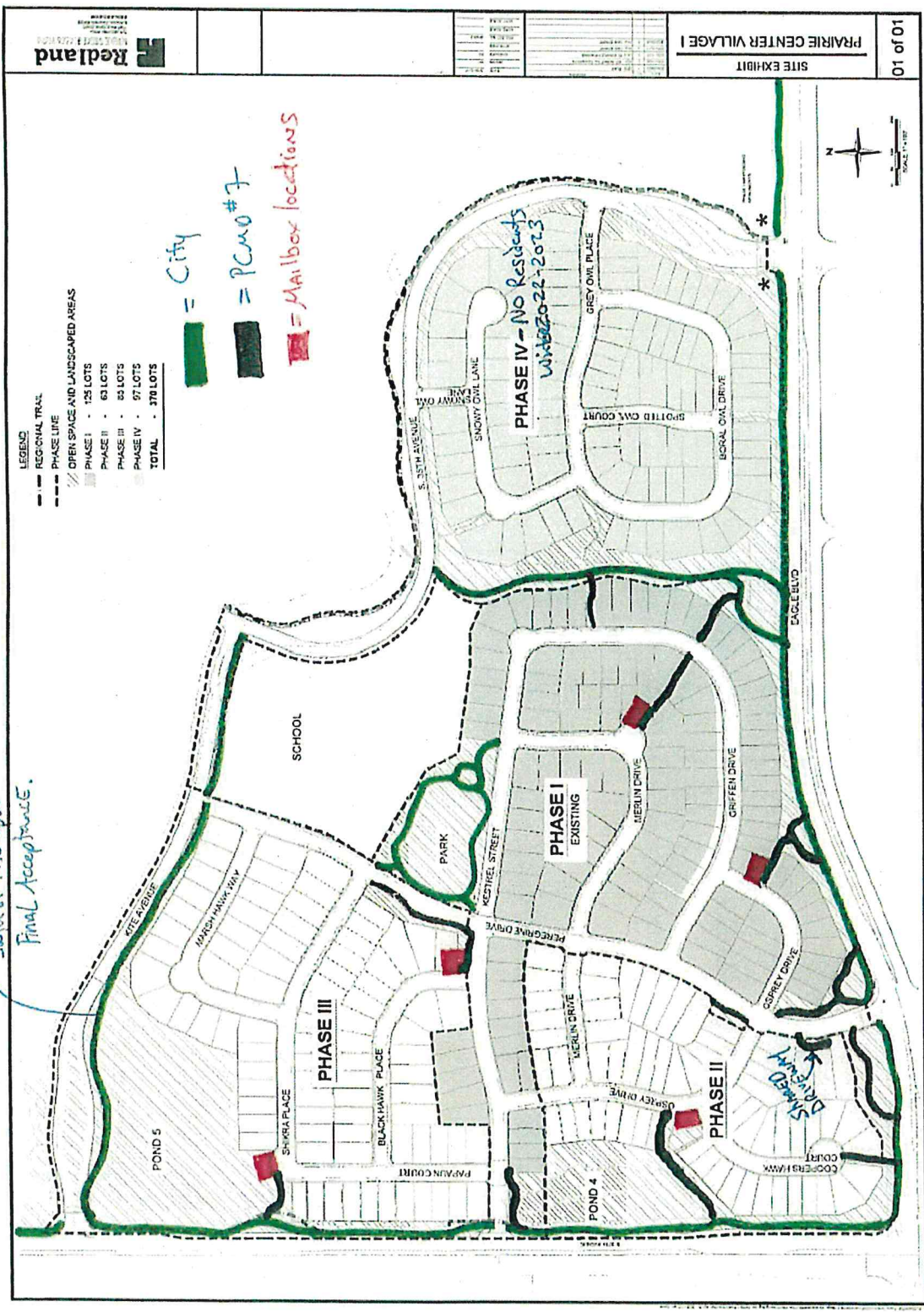
Consultant shall plow, anti-ice and/or de-ice the District-owned sidewalks, shared driveway and mailbox locations as described and depicted on the site map attached hereto. Consultant shall commence snow removal operations on the shared driveway when accumulation reaches 2 inches, on sidewalks and mailbox locations when accumulation reaches 1 inch, or when directed by Project Manager GKT Brighton Residential (“**Property Manager**”).

Anti-icing and/or de-icing services will commence when the Consultant determines conditions require such services. *Notwithstanding the foregoing, under no circumstances shall Consultant apply magnesium chloride to any concrete surfaces.*

When snow accumulation exceeds 10 inches or when drift conditions exist, “shovel-wide” paths will be cleared during the initial visit to the site. Walks will be cleared to their full width when conditions allow further attention.

Consultant and Project Manager shall conduct a walk-through to identify the areas for which snow removal services will be provided under this Agreement and the condition of same. After the end of the snow season, the Consultant and Project Manager shall conduct a walk-through to review damages, if any, resulting from activities of the Consultant, the repair of which shall be the responsibility of the Consultant; provided, however, no claim for damages shall be commenced against the Consultant unless the Consultant has had an opportunity to obtain necessary repairs and/or review any repair bids or similar proposals obtained by the Project Manager.

City has Trail Snow Removal & Maintenance
south of kite upon
Final Acceptance.



**EXHIBIT B
COMPENSATION**

2022 - 2023 Rates for Snow Removal

| | |
|---------------------------------------|--------------|
| Standard Plow Truck | \$159.39/Hr. |
| 15' Scoop/Plow | \$301.71/Hr. |
| 3 Yrd. Dump Truck | \$182.16/Hr. |
| 5 Yrd. Dump Truck | \$210.63/Hr. |
| RTV | \$142.32/Hr. |
| ATV | \$136.62/Hr. |
| Walker | \$108.17/Hr. |
| Skidsteer | \$153.70/Hr. |
| Tractor | \$187.86/Hr. |
| Snow Blower | \$91.08/Hr. |
| Hand Shovel | \$74.00/Hr. |
| Ice Melt/Sand (Including Application) | \$1.83/lb. |
| Ice Slicer | \$261.85/Ton |

* Mobilization starts at the time of dispatch.

EXHIBIT C

FORM OF CHANGE ORDER

| | |
|-----------------------------|---------------------|
| Change Order No: | Date Issued: |
| Name of Agreement: | |
| Date of Agreement: | District(s): |
| Other Party/Parties: | |

| |
|--|
| CHANGE IN SCOPE OF SERVICES (describe): |
| |
| |
| |
| |
| |

| | |
|--|---|
| CHANGE IN AGREEMENT PRICE: | CHANGE IN TERM OF AGREEMENT: |
| Original Price: \$ | Original Term: Expires , 20 |
| Increase of this Change Order: \$ | New Term: Expires , 20 |
| Price with all Approved Change Orders: \$ | Agreement Time with all Approved Change Orders: |

| |
|------------------|
| APPROVED: |
| By: _____ |
| District |

| |
|------------------|
| APPROVED: |
| By: _____ |
| Consultant |

SERVICE AGREEMENT FOR EXTERIOR LIGHT INSPECTION

THIS SERVICE AGREEMENT FOR EXTERIOR LIGHT INSPECTION (“**Agreement**”) is entered into as of November 10, 2022, and effective as of January 1, 2023, by and between **PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **COLORADO LIGHTING, INC. (d/b/a CLI Services)**, a Colorado corporation (the “**Consultant**”) (each a “**Party**” and, collectively, the “**Parties**”).

RECITALS

A. The District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements in accordance with its service plan.

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District.

C. The Consultant has experience in providing the services, as set forth in **Exhibit A** hereto, attached and incorporated herein (the “**Services**”), and is willing to provide such Services to the District for reasonable consideration.

D. The Parties desire to enter into this Agreement to establish the terms by which the Consultant will provide the Services to the District.

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

I. CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional consultant in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Consultant does hereby warrant that the quality of the Services shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District's consultants to assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Consultant shall be obligations of the Consultant and the Consultant shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Consultant shall have no right or authority, expressed or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Consultant shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Consultant is an independent contractor, as provided in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Consultant or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Consultant shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Consultant for the Services performed as provided herein. The District shall not be responsible for the Consultant's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Consultant is not entitled to workers' compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Consultant shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Consultant shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Work Product. "**Work Product**" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is

and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.5, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.5. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

II. COMPENSATION

2.1 Compensation. The Consultant shall be paid as set forth in **Exhibit B** attached on a time and materials basis, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as **Exhibit C** ("Change Order").

2.2 Monthly Invoices and Payments. The Consultant shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Consultant is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in **Exhibit B**, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation; District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on January 1, 2023, and shall expire on December 31, 2023. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination.

(a) The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least thirty (30) days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least thirty (30) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

(b) Notwithstanding any provision herein to the contrary, the Agreement shall terminate automatically and be of no further force or effect upon the occurrence of (a) the Consultant's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; or (b) administrative dissolution (or other legal process not initiated by the Consultant dissolving the Consultant as a legal entity) that is not remedied or cured within sixty (60) days of the effective date of such dissolution or other process.

The District shall pay the Consultant for all Services satisfactorily performed through the termination date.

IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Consultant hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the "**Indemnitees**"), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys' fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Consultant and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Consultant shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least "A:XIII" by A.M. Best Company. The Consultant shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Consultant shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Consultant's cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Consultant. The Consultant shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Consultant shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers' Compensation Insurance required below, the Consultant must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Consultant provides the certificates evidencing such insurance and Workers' Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers' Compensation Insurance. A Workers' Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer's Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers' Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Consultant from any obligations, responsibilities or liabilities under this Agreement.

V. MISCELLANEOUS

5.1 Assignment. The Consultant shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and of no effect.

5.2 Modification; Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the District or the Consultant unless the same is in writing and duly executed by the Parties.

5.3 Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

5.4 Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

5.5 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the County of Adams, Colorado.

5.6 Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

5.7 Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the Consultant any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the Consultant shall be for the sole and exclusive benefit of the District and the Consultant.

5.8 Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via FedEx or other nationally recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District: Prairie Center Metropolitan District No. 7
141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
Phone: (303) 987-0835
Email: afinn@sdmsi.com
Attn: Ann Finn

With a Copy To: McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203
Phone: (303) 592-4380
Email: legalnotices@specialdistrictlaw.com

To Consultant: Colorado Lighting, Inc.
1831 E. 73rd Avenue, Unit B
Denver, CO 80229
Phone: (303) 288-3152
Email: Chris.Frank@Cli-services.com
Attn: Chris Frank

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

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default; provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and

regulations of the jurisdiction in which the Agreement is performed. The Consultant declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

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

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

**EXHIBIT A
SCOPE OF SERVICES**

1. The Consultant shall inspect the District property located at Eagle Boulevard and Peregrine Drive, Brighton, CO 80601 in Adams County, for all wall-pack and soffit lighting, parking lot lighting and monument signage.
2. The Consultant shall inspect the property once per month for the Monthly Fee set forth on **Exhibit B** and return during normal business hours to complete repairs on a time and material basis. The Consultant will create a log of the exterior lighting, which will indicate repaired outages. Invoices must be accompanied by a map showing numbered locations of repairs and, as appropriate, services performed.
3. The Consultant shall verify all the time clock settings and adjust in accordance with the following schedule:

| | ON | OFF |
|------------------|------------|------------|
| March | 5:30 p.m.* | 7:00 a.m. |
| April | 7:00 p.m. | 6:00 a.m. |
| June | 8:00 p.m. | 5:30 a.m. |
| August | 7:00 p.m. | 6:30 a.m. |
| September | 6:30 p.m. | 7:00 a.m. |
| October | 5:30 p.m. | 7:30 a.m. |
| November | 4:30 p.m.* | 7:30 a.m. |

* Adjustment for Daylight Savings/Standard Time Change

* Service provided while onsite for repairs. Special circumstances will be billed T&M.

4. This Agreement does not cover warranty repairs to fixtures, poles or wiring damaged by high-voltage surges, lightning, fire, strikes, accidents, government regulations or other causes unavoidable or beyond the Consultant's control.

**EXHIBIT B
COMPENSATION**

The District will pay the Consultant the sum of **\$25.00** per month (the “**Monthly Fee**”) for the services described on **Exhibit A**. Modifications to property lighting configuration can affect the monthly fee and is subject to change with 30 days’ notice. For example: remodel or upgrade.

All spent material will be removed from the District’s premises for disposal. The Consultant will charge a fee of \$5.00 per HID lamp, \$1.44 per four-foot fluorescent lamp, \$2.88 per eight-foot fluorescent lamp, and ballasts based on type and weight. All records of disposal will be kept on file by the Consultant.

2023 Labor & Equipment Hourly Rates

| | |
|--|---------|
| Labor | |
| Certified Lighting Technician | \$69.75 |
| Aerial Technician | \$75.75 |
| Sign Technician | \$75.75 |
| Journeyman Sign Installer | \$85.75 |
| Journeyman Electrician | \$89.75 |
| Apprentice Electrician | \$75.75 |
| * Emergency, Overtime, Weekends & Night Work Labor Rate x 1.5 | |
| * Holiday Work Labor Rate x 2 | |
| | |
| Mobilization | \$45.00 |
| | |
| Equipment | |
| ¾ Ton Work Truck | \$19.00 |
| One Ton Stocked Service Van | \$22.25 |
| Stocked Aerial Bucket Truck (Up to 40’) | \$45.75 |

Changes in rates shall be set forth on a Change Order executed by both Parties.

EXHIBIT C
FORM OF CHANGE ORDER

| | |
|-----------------------------|---|
| Change Order No: | Date Issued: |
| Name of Agreement: | |
| Date of Agreement: | District(s): Prairie Center Metropolitan District No. 7 |
| Other Party/Parties: | |

| |
|--|
| CHANGE IN SCOPE OF SERVICES (describe): |
|--|

| CHANGE IN AGREEMENT PRICE: | CHANGE IN TERM OF AGREEMENT: |
|--|--|
| Original Price: \$ _____ | Original Term: Expires _____, 20____ |
| Increase of this Change Order: \$ _____ | New Term: Expires _____, 20____ |
| Price with all Approved Change Orders: \$ _____ | Agreement Time with all Approved Change Orders: |

| | |
|------------------|-----------------|
| APPROVED: | |
| | |
| By: | |
| | District |

| | |
|------------------|-------------------|
| APPROVED: | |
| | |
| By: | |
| | Consultant |



141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
303-987-0835 • Fax: 303-987-2032

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: October 12, 2023

RE: Notice of 2024 Rate Increase

A rectangular box containing a handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by (6.0%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.