

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 · 800-741-3254
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NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Michael Tamblyn	President	2022/May 2022
Rick Merkel	Treasurer	2022/May 2022
Wendy Burke	Assistant Secretary	2022/May 2022
Brandon Schenberg	Assistant Secretary	2023/May 2023
David Olderman	Assistant Secretary	2023/May 2022
Ann E. Finn	Secretary	

DATE: June 10, 2021

TIME: 11:30 A.M.

PLACE: *Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this meeting will be held via Zoom without any individuals (neither District representatives nor the general public) attending in person. The meeting can be joined through the directions below:*

Join Zoom Meeting

<https://us02web.zoom.us/j/86961827183?pwd=d1NEcit6ZVUxL2RlSkpyRlBBdHpnZz09>

Meeting ID: 869 6182 7183

Passcode: 447786

Dial In: 1-253-215-8782

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflict of Interest.

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

C. **Consent Agenda** – These items are considered to be routine and will be ratified by one motion. There will be no separate discussion of these items unless a board member so requests; in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

- Approve Minutes of the October 14, 2020 Special Meeting, November 12, 2020 Special Meeting and December 29, 2020 Special Meeting (enclosures).
- Ratify approval of payment of claims for the period beginning November 1, 2020 through May 31, 2021 totaling \$3,205,952.56 (enclosure).

- Ratify approval of Service Agreement for Hydrovac Services between the District and Badger Daylighting (enclosure).
- Ratify approval of Change Order No. 1 – RCD Construction Inc. for additional ROW Permit from City of Brighton, for the amount of \$3,500.
- Ratify approval of Change Order No. 2 – RCD Construction Inc. for addition of 3 weather days for the July 9th 2020 rain event.
- Ratify approval of Change Order No. 4 – RCD Construction Inc. for additional demolition work for water main work at Lot 9, for the amount of \$837.50.
- Ratify approval of Change Order No. 5 – for addition of 2 weather days for the September 8th and 9th rain/snow event.
- Ratify approval of Change Order No. 6 - RCD Construction Inc. for Phase III Earthwork Work, for the amount of \$388,011.38.
- Ratify approval of Change Order No. 8 - RCD Construction Inc. for Phase III Utilities, for the amount of \$1,662,105.83.
- Ratify approval of Change Order No. 10 - RCD Construction Inc. for Phase III Concrete Work, for the amount of \$556,787.25.
- Ratify approval of Change Order No. 11 - Brinkmann Constructors, d/b/a R.G. Brinkmann Company for Phase III General Conditions (fees and insurance), \$433,954.99.
- Ratify approval of Change Order No. 13 - Asphalt Specialties Co., Inc. for Phase III Asphalt, for the amount of \$748,278.05.
- Ratify approval of Change Order No. 14 – Brightview Landscape Services, Inc. for Phase III Landscape/Irrigation work, for the amount of \$560,371.
- Ratify approval of Change Order No. 15 – RCD Construction Inc. for additional Clear and Grub along 27th, for the amount of \$3,500.
- Ratify approval of Change Order No. 16 – Asphalt Specialties for deduct for change in asphalt cross section to 5” over 7”, <\$46,320.40>.
- Ratify approval of Change Order No. 17 – RCD Construction Inc. for additional demolition work at 27th Ave, for the amount of \$9,400.
- Ratify approval of Change Order No. 18 – RCD Construction Inc. for additional gutter inlet sections, for the amount of \$5,000.
- Ratify approval of Change Order No. 19 – Brightview Landscape Services, Inc. for staining of existing fence, for the amount of \$3,910.
- Ratify approval of Change Order No. 20 - Asphalt Specialties Co., Inc. for patch work of 27th Ave., for the amount of \$9,209.
- Ratify approval of Change Order No. 21 - RCD Construction Inc., for roads not to grade, for a deduct of <\$3,688>.
- Ratify approval of Change Order No. 22 - Asphalt Specialties Co., Inc. for additional road grading, for the amount of \$3,688.
- Ratify approval of Change Order No. 23 – RCD Construction Inc. for Peregrine Tie in, for the amount of \$2,980.
- Ratify approval of Change Order No. 24 – Asphalt Specialties for asphalt tie-ins at Peregrine, for the amount of \$9,079.

- Ratify approval of Change Order No. 25 – RCD Construction Inc. for Existing Sidewalk Repairs, for the amount of \$5,190.
- Ratify approval of Change Order No. 26 – RCD Construction Inc. for RCD Removal of Asphalt Piles, for the amount of \$1,650. *Construction Manager recommended rejection.
- Ratify approval of Change Order No. 27 – RCD Construction Inc. for ASCI Removal of Asphalt Piles, for a deduction in the amount of <\$1,650>. *Construction Manager recommended rejection.
- Ratify approval of Change Order No. 28 – RCD Construction Inc. for RCD Charge for ASCI Water use, in the amount of \$1,400. *Construction Manager recommended rejection.
- Ratify approval of Change Order No. 29 – RCD Construction Inc. for RCD Charge for ASCI Water Use, for a deduction in the amount of <\$1,400>. *Construction Manager recommended rejection.
- Ratify approval of Change Order No. 30 – RCD Construction Inc. for ASCI contract amount correction, for a deduction in the amount of <\$3,688>.
- Ratify approval of Change Order No. 31 – RCD Construction Inc. for Asphalt Demo Credit, for a deduction in the amount of <\$2,622>.
- Ratify approval of Change Order No. 32 – RCD Construction Inc. for Dry Utility Conduit Credit, for a deduction in the amount of <\$11,620>.
- Ratify approval of Change Order No. 33 – RCD Construction Inc. for 6” Waterline upsizing, for the amount of \$8,800.
- Ratify approval of Change Order No. 34 – RCD Construction Inc. for Temporary seeding credit, for a deduction in the amount of <\$5,637.84>.
- Ratify approval of Change Order No. 35 – RCD Construction Inc. for GKT Temp Seeding Credit, for a deduction in the amount of <\$12,646.16>.
- Ratify approval of Change Order No. 36 – RCD Construction Inc. for Added Underdrain cleanout, for the amount of \$3,750.
- Ratify approval of Change Order No. 37 – Brightview Landscape Services, Inc. for Irrigation Bore under private drive, for the amount of \$3,376.
- Ratify approval of Change Order No. 38 – RCD Construction Inc. for Gutter Bird Bath correction, for the amount of \$1,120.
- Ratify approval of Change Order No. 39 – Brightview Landscape Services, Inc. for raising existing fence panels, for the amount of \$2,577.
- Ratify approval of Change Order No. 40 – RCD Construction Inc. for Phase Two Tract sidewalks, for the amount of \$4,977.60.
- Ratify approval of Change Order No. 41 – RCD Construction Inc. for Phase III BBMH Credit, for a deduction in the amount of <\$18,800>.
- Ratify approval of Change Order No. 42 – RCD Construction Inc. for Phase III SDMH Credit, for a deduction in the amount of <\$5,143>.
- Ratify approval of Change Order No. 43 – RCD Construction Inc. for Phase III Cast-In-Place SSMH 11-1, for the amount of \$9,320.50.
- Ratify approval of Change Order No. 44 – Brightview Landscape Services, Inc., for Phase II added Parcel Box, for the amount of \$1,200.

- Ratify approval of Change Order No. 45 – RCD Construction Inc. for Phase III added waterline bends, for the amount of \$16,113.
 - Ratify approval of Change Order No. 46 – RCD Construction Inc. for Added Hydrant East of Peregrine, for the amount of \$16,827.68.
 - Ratify approval of Change Order No. 47 – RCD Construction Inc. for Waterline stub to school site, for the amount of \$10,523.16.
 - Ratify approval of Change Order No. 48 – RCD Construction Inc. for Non-Pot MH and vacuum valve, for the amount of \$10,367.88.
 - Ratify approval of Change Order No. 49 – RCD Construction Inc. for Phase I cleanout repairs, for the amount of \$1,993.67.
 - Ratify approval of Change Order No. 50 – RCD Construction Inc. for weather day schedule extension, for the amount of \$-0-.
 - Ratify approval of Change Order No. 51 – RCD Construction Inc. for additional Dry Utility sleeves, for the amount of \$9,288.
 - Ratify approval of Change Order No. 52 – RCD Construction Inc. for additional irrigation sleeves, for the amount of \$2,418.
 - Ratify approval of Change Order No. 53 – RCD Construction Inc. for concrete collar and inlet cap- DPI, for the amount of \$4,382.41.
 - Ratify approval of Change Order No. 54 – RCD Construction Inc. for concrete collar and inlet cap - PPI, for the amount of \$5,041.97.
 - Ratify approval of Task Order No. 002 to the Master Service Agreement for Surveying Services between the District and Aztec Consultants, Inc. for Surveying Services for the Village I Phase III Improvement Project, for the amount of \$101,251.
 - Ratify approval of Task Order No. 002 to the Master Service Agreement for Subgrade Investigation and Pavement Design and Construction Observation and Material Testing Services between the District and CTL Thompson, Inc. for the Village I Phase III Improvement Project, for the amount of \$75,000.
 - Ratify approval of Service Agreement for Professional Design Services between the District and DTJ Design, Inc. (enclosure).
 - Ratify approval of Agreement on Permit for Easement Crossing between the District and The Brighton Lateral Ditch Company (enclosure).
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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. FINANCIAL MATTERS

- A. Review and accept the unaudited financial statements for the period ending March 31, 2021, and the schedule of cash position as of March 31, 2021 (enclosure).
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- B. Review and consider approval of the 2020 Audit, and authorize execution of the Representations Letter (enclosure).
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- C. Consider appointment of District Accountant to prepare the 2022 Budget.
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IV. LEGAL MATTERS

- A. Discuss status of subordinate debt issuance.
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- B. Review and consider ratifying approval of Municipal Advisor Agreement between the District and Hilltop Securities Inc. (enclosure).
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- C. Consider approval of an Engagement Letter with Spahr, LLP as Bond Counsel for the District (to be distributed).
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V. CAPITAL MATTERS

- A. Discuss status of the Prairie Center Village I Phase II Improvement Projects.
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- B. Discuss status of the Prairie Center Village I Phase III Improvements Projects.
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- C. Discuss the Prairie Center Village I Phase IV Improvements Projects.
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1. Authorize Project Manager to bid public improvements projects.
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- D. Consider approval of a Service Agreement with an Independent Engineer for cost verification services (to be distributed).
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- E. Review proposal and consider approval of Service Agreement for Continental Pedestrian Connector Truss Bridge between the District and Contech Engineered Solutions, LLC (enclosures).
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VI. COMMUNITY MANAGEMENT MATTERS

- A. _____

- VII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 11, 2021.**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 (the "District") HELD OCTOBER 14, 2020

A special meeting of the Board of Directors of the Prairie Center Metropolitan District No. 7 (referred to hereafter as "Board") was convened on Wednesday, the 14th day of October, 2020 at 3:30 P.M. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held and properly noticed to be held via telephone conference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Michael Tamblyn (via conference call)
Rick Merkel (via conference call)
Wendy Burke (via conference call)
Michelle Roberts (via conference call)
Brandon Schenberg (via conference call)

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc. (via conference call)

Paula Williams, Esq.; McGeady Becher P.C. (via conference call)

Thuy Dam; CliftonLarsonAllen LLP (via conference call)

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 Williams 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 Williams, that conflict disclosure statements were filed for all directors, and that and no additional 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 special meeting.

RECORD OF PROCEEDINGS

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

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, due to concerns regarding the spread of the coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the meeting would be held by telephonic means without any individuals (neither District Representatives nor the General Public) attending in person. Ms. Finn reported that notice was duly posted and that no objections to the telephonic manner of the meeting or any requests that the telephonic manner of the meeting be changed by taxpaying electors within the District boundaries have been received.

Consent Agenda: The Board considered the following actions:

- Ratify approval of payment of claims for the period beginning July 10, 2019 through September 30, 2020 totaling \$1,255,958.90.

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

PUBLIC COMMENT There was no public comment.

FINANCIAL MATTERS

2021 Budget: The Board discussed the status of the 2021 Budget. No action was taken by the Board.

Financial Services Agreement: The Board reviewed the Financial Services Agreement between the District and Piper Sandler & Co.

Following review, upon motion duly made by Director Roberts, seconded by Director Burke and, upon vote, unanimously carried, the Board approved the Financial Services Agreement between the District and Piper Sandler & Co., for an amount not to exceed \$25,000.

LEGAL MATTERS

Potential Debt Issuance: The Board entered into discussion regarding a possible bond issuance in 2021. No action was taken by the Board at this time.

RECORD OF PROCEEDINGS

CAPITAL MATTERS

Village I Phase I Improvement Project (concrete work): Director Tamblyn discussed with the Board concrete work that needs to be performed prior to the City of Brighton accepting the Village 1 Phase I Improvements.

Following discussion, upon motion duly made by Director Burke, seconded by Director Roberts and, upon vote, unanimously carried, the Board authorized the Project Manager to obtain bids and award a contract for concrete work, for a not-to-exceed amount of \$35,000, and subject to ratification by the Board.

Village I Phase I Improvement Project (asphalt work): Director Tamblyn discussed with the Board asphalt work that needs to be performed prior to the City of Brighton accepting the Village 1 Phase I Improvements.

Following discussion, upon motion duly made by Director Burke, seconded by Director Roberts and, upon vote, unanimously carried, the Board authorized the Project Manager to enter into a Service Agreement for asphalt work with Rocky Mountain Excavating, for a not-to-exceed amount of \$50,000, and subject to ratification by the Board.

Prairie Center Village I Phase II and Phase III Improvement Projects: Director Tamblyn reviewed with the Board the following Changes Orders related to the Village I Phase II and Phase III Improvement Projects:

- Change Order No. 1 – RCD Construction Inc. for additional ROW Permit from City of Brighton, for the amount of \$3,500.
- Change Order No. 2 – RCD Construction Inc. for addition of 3 weather days for the July 9th 2020 rain event.
- Change Order No. 3 – RCD Construction Inc. Plug 12" Water line and Flash fill 12" line to nearest valve. ***Note that the Construction Manager recommended rejection.**
- Change Order No. 4 – RCD Construction Inc. for additional demolition work for water main work at Lot 9, for the amount of \$837.50.
- Change Order No. 5 – for addition of 2 weather days for the September 8th and 9th rain/snow event.
- Change Order No. 6 - RCD Construction Inc. for Phase III Earthwork Work, for the amount of \$388,011.38.
- Change Order No. 7 – RCD Construction Inc. - RCD Phase III Schedule A – GKT. ***Note this was not a District cost.**
- Change Order No. 8 - RCD Construction Inc. for Phase III Utilities, for the amount of \$1,662,105.83.
- Change Order No. 9 – RCD Construction Inc. - RCD Phase III Schedule B – GKT. ***Note this was not a District cost.**
- Change Order No. 10 - RCD Construction Inc. for Phase III Concrete Work,

RECORD OF PROCEEDINGS

- for the amount of \$556,787.25.
- Change Order No. 11 - Brinkmann Constructors, d/b/a R.G. Brinkmann Company for Phase III General Conditions (fees and insurance), \$433,954.99.
- Change Order No. 12 – Brinkmann Constructors, d/b/a R.G. Brinkmann Company for Phase III Brinkmann – GKT. ***Note this was not a District cost.**
- Change Order No. 13 - Asphalt Specialties Co., Inc. for Phase III Asphalt, for the amount of \$748,278.05.
- Change Order No. 14 – Brightview Landscape Services, Inc. for Phase III Landscape/Irrigation work, for the amount of \$560,371.
- Change Order No. 15 – RCD Construction Inc. for additional Clear and Grub along 27th, for the amount of \$3,500.
- Change Order No. 16 – Asphalt Specialties for deduct for change in asphalt cross section to 5” over 7”, <\$46,320.40>.
- Change Order No. 17 – RCD Construction Inc. for additional demolition work at 27th Ave, for the amount of \$9,400.
- Change Order No. 18 – RCD Construction Inc. for additional gutter inlet sections, for the amount of \$5,000.
- Change Order No. 19 – Brightview Landscape Services, Inc. for staining of existing fence, for the amount of \$3,910.
- Change Order No. 20 - Asphalt Specialties Co., Inc. for patch work of 27th Ave., for the amount of \$9,209.
- Change Order No. 21 - RCD Construction Inc., for roads not to grade, for a deduct of <\$3,688>.
- Change Order No. 22 - Asphalt Specialties Co., Inc. for additional road grading, for the amount of \$3,688.
- Change Order No. 23 – RCD Construction Inc. for Peregrine Tie in, for the amount of \$2,980.
- Change Order No. 24 – Asphalt Specialties for asphalt tie-ins at Peregrine, for the amount of \$9,079.

Following discussion, upon motion duly made by Director Burke, seconded by Director Roberts and, upon vote, unanimously carried, the Board ratified approval of Change Order Nos. 1, 2, 4, 5, 6, 8, 10, 11, and 13-24. The Board did not ratify or approve Change Order Nos. 3, 7, 9 and 12.

Village I Phase III Builder’s Risk Insurance Coverage for the amount of \$1,000,000 for the District’s Capital Improvement Projects: Ms. Finn reviewed with the Board a quote for Builder’s Risk Insurance coverage for the Village I Phase III Improvement Project. She noted the annual premium is \$6,000 for a \$1,000,000 policy.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Burke, seconded by Director Merkel and, upon vote, unanimously carried, the Board authorized Ms. Finn to bind the Builder's Risk Insurance coverage for the Village I Phase III Improvement Project.

Village I Phase III Improvement Projects: Director Tamblyn updated the Board on the status of the Village I Phase III Improvement Project and noted the following agreements/task orders will be required in order to complete the project.

Service Agreement and/or Work Order with DTJ Design, Inc.: Following discussion, upon motion duly made by Director Burke, seconded by Director Merkel and, upon vote, unanimously carried, the Board authorized preparation of, a Service Agreement and/or Task Order with DTJ Design, Inc. for landscape design work.

Task Order No. 2 to the Master Service Agreement for Surveying Services with Aztec Consultants, Inc.: Following discussion, upon motion duly made by Director Burke, seconded by Director Merkel and, upon vote, unanimously carried, the Board approved Task Order No. 002 to the Master Service Agreement for Surveying Services with between the District and Aztec Consultants, Inc. for Surveying Services for the Village I Phase III Improvement Project, for the amount of \$101,251.

Task Order No. 2 to the Master Service Agreement for Subgrade Investigation and Pavement Design and Construction Observation and Material Testing Services with CTL Thompson, Inc.: Following discussion, upon motion duly made by Director Burke, seconded by Director Merkel and, upon vote, unanimously carried, the Board approved Task Order No. 002 to the Master Service Agreement for Subgrade Investigation and Pavement Design and Construction Observation and Material Testing Services between the District and CTL Thompson, Inc. for the Village I Phase III Improvement Project, for the amount of \$75,000.

Engineering Services: Following discussion, upon motion duly made by Director Burke, seconded by Director Merkel and, upon vote, unanimously carried, the Board approved the proposal from Redland Consulting Group, Inc. for engineering services, for the Village I Phase III Improvement Project, on a time and material basis.

OPERATIONS AND MAINTENANCE

Service Agreement for Slurry Seal between the District and Rocky Mountain Pavement, LLC: Director Tamblyn noted for the Board that the slurry seal work is no longer being required by the City of Brighton, so this Service Agreement is not necessary.

RECORD OF PROCEEDINGS

Service Agreement for Snow Removal Services between the District and Snow Pros, Inc. d/b/a Site Source Common Area Maintenance: The Board reviewed the Service Agreement for Snow Removal Services between the District and Snow Pros, Inc. d/b/a Site Source Common Area Maintenance.

Following discussion, upon motion duly made by Director Burke, seconded by Director Merkel and, upon vote, unanimously carried, the Board approved the Service Agreement for Snow Removal Services between the District and Snow Pros, Inc. d/b/a Site Source Common Area Maintenance.

ADJOURNMENT

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

Respectfully submitted,

By _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 (the “District”) HELD NOVEMBER 12, 2020

A special meeting of the Board of Directors of the Prairie Center Metropolitan District No. 7 (referred to hereafter as “Board”) was convened on Thursday, the 12th day of November, 2020 at 2:30 P.M. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held and properly noticed to be held via telephone conference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Michael Tamblyn (via conference call)
Rick Merkel (via conference call)
Wendy Burke (via conference call)
Brandon Schenberg (via conference call for a portion of the meeting)

Upon motion duly made by Director Burke, seconded by Director Tamblyn and, upon vote, unanimously carried, the absence of Michelle Roberts was excused.

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc. (via conference call)

Paula Williams, Esq. and Erica Montague, Esq.; McGeady Becher P.C. (via conference call)

Thuy Dam; CliftonLarsonAllen LLP (via conference call)

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 Williams 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 Williams, that conflict disclosure statements were filed for all directors, and that and no additional conflicts were disclosed at the meeting.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

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

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

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, due to concerns regarding the spread of the coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the meeting would be held by telephonic means without any individuals (neither District Representatives nor the General Public) attending in person. Ms. Finn reported that notice was duly posted and that no objections to the telephonic manner of the meeting or any requests that the telephonic manner of the meeting be changed by taxpaying electors within the District boundaries have been received.

Consent Agenda: The Board considered the following actions:

- Approve Minutes of the July 22, 2020 special meeting.
- Ratify approval of payment of claims for the period ending October 31, 2020 totaling \$370,068.40.
- Authorize District Manager to post transparency notice on the SDA Website pursuant to Section 32-1-809, C.R.S.
- Ratify approval of Public Service Company of Colorado Easement between the District and GKT Brighton Residential Development, L.L.C. as Grantors, and Public Service Company of Colorado as Grantee.

It was noted the Service Agreement for Asphalt Work between the District and Rocky Mountain Pavement, LLC, was terminated.

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

Resolution No. 2020-11-01; Resolution Establishing Regular Meeting Dates, Time and Location and Designating Locations for Posting of 24-Hour Notices: The Board reviewed Resolution No. 2020-11-01; Resolution Establishing Regular Meeting Dates, Time and Location and Designating Locations for Posting of 24-Hour Notices.

RECORD OF PROCEEDINGS

Ms. Finn reviewed the business to be conducted in 2021 to meet the statutory compliance requirements. The Board determined to meet on June 10, 2021 and November 11, 2021 at 11:30 a.m. at the Construction Trailer, 2221 South 27th Avenue, Brighton, Colorado.

Following discussion, upon motion duly made by Director Burke, seconded by Director Merkel and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-01; Resolution Establishing Regular Meeting Dates, Time and Location and Designating Locations for Posting of 24-Hour Notices. A copy of the Resolution is attached hereto and incorporated herein.

PUBLIC COMMENT There was no public comment.

FINANCIAL MATTERS

Unaudited Financial Statements: Ms. Dam presented and reviewed the unaudited financial statements for the period ending September 30, 2020.

Following review and discussion, upon motion duly made by Director Burke, seconded by Director Tamblyn and, upon vote, unanimously carried, the unaudited financial statements for the period ending September 30, 2020 were accepted, as presented.

2020 Audit: The Board reviewed the proposal from Wipfli LLP to perform the 2020 Audit.

Following discussion, upon motion duly made by Director Burke, seconded by Director Merkel and, upon vote, unanimously carried, the Board approved the engagement of Wipfli LLP to perform the 2020 Audit, for an amount not to exceed \$4,000.

2020 Budget Amendment Hearing: The President opened the public hearing to consider a Resolution to Amend the 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2020 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. There were no comments from the public in attendance and the public hearing was closed.

Following discussion, Ms. Dam noted the 2020 Budget was amended at the July 22, 2020 Board meeting and no further amendments are necessary.

RECORD OF PROCEEDINGS

2021 Budget: The President opened the public hearing to consider the proposed 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2021 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

No public comments were received, and the public hearing was closed.

Ms. Dam reviewed the estimated 2020 expenditures and the proposed 2021 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2020-11-02 to Adopt the 2021 Budget and Appropriate Sums of Money and Resolution No. 2020-11-03 to Set Mill Levies, (for the General Fund at 11.132 mills, for the Debt Service Fund at 55.664 mills, for a total mill levy of 66.796 mills). Upon motion duly made by Director Tamblyn, seconded by Director Merkel and, upon vote, unanimously carried, Resolution Nos. 2020-11-02 and 2020-11-03 were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2020. The District Accountant was directed to transmit the Certification of Mill Levies to the Board of County Commissioners of the Adams County not later than December 15, 2020, the District Accountant was also directed to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2021. Copies of the adopted Resolutions are attached to these Minutes and incorporated herein by this reference.

Fee Schedule: The Board reviewed a fee structure assessing \$90.00 per quarter, per residential unit to pay for cost associated with common area maintenance and a \$200.00 working capital fee.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Merkel and, upon vote, unanimously carried, the Board approved the fee schedule.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3: The Board reviewed Resolution No. 2020-11-04, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Burke, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-04, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

DLG-70 Mill Levy Certification: Ms. Dam discussed with the Board the DLG-70 Mill Levy Certification form.

Following discussion, upon motion duly made by Director Burke, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 mill levy certification form, for certification to the Board of County Commissioners and other interested parties.

Preparation of the 2022 Budget: The Board discussed preparation of the 2022 Budget.

Following discussion, upon motion duly made by Director Burke, seconded by Director Merkel, and upon vote, unanimously carried, the Board appointed CliftonLarsonAllen LLP to prepare the 2022 Budget, and directed that the 2022 Budget be the same as the 2021 Adopted Budget, unless a Board Member provides input to otherwise adjust those assumptions.

LEGAL MATTERS

Potential Debt Issuance: Attorney Williams discussed with the Board a possible subordinate debt issuance in 2021. No action was taken by the Board at this time.

CAPITAL MATTERS

Village I Phase I Improvement Project (concrete work): Director Tamblyn discussed with the Board additional concrete work that needs to be completed prior to the City of Brighton's final acceptance of the Village I Phase I public improvements.

Following discussion, upon motion duly made by Director Burke, seconded by Director Merkel and, upon vote, unanimously carried, the Board authorized the Project Manager to award a contract for concrete work, for a not-to-exceed amount of \$35,000, and subject to ratification by the Board.

Village I Phase I Improvement Project (asphalt work): Director Tamblyn discussed with the Board asphalt work that needs to be completed prior to the City of Brighton's final acceptance of the Village I Phase I public improvements.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Burke, seconded by Director Merkel and, upon vote, unanimously carried, the Board approved a Service Agreement with Rocky Mountain Excavating Inc. for asphalt work, for a not-to-exceed amount of \$40,000.

Village I Phase I Improvement Projects: Director Tamblyn provided an update, noting that all 125 lots have been sold. He indicated the District is in the process of obtaining final acceptance by the City of Brighton of the roadways, subject to completion of the concrete and asphalt work.

Village I Phase II Improvement Projects: Director Tamblyn noted that he will be submitting a request to the City of Brighton for initial acceptance of the Village I Phase II public improvements. He also the landscape improvements are expected to be completed by the end of the month.

Village I Phase III Improvement Projects: Director Tamblyn reported to the Board that the Village I Phase III Improvement Project started on October 19th and is expected to be completed within ten months.

OPERATIONS AND MAINTENANCE

Service Agreement for Landscape Maintenance Services between the District and Vargas Property Services, Inc. for Landscape Tracts and Golden Eagle Park: The Board reviewed a Service Agreement for Landscape Maintenance Services between the District and Vargas Property Services, Inc. for Landscape Tracts and Golden Eagle Park.

Following discussion, upon motion duly made by Director Burke, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement for Landscape Maintenance Services between the District and Vargas Property Services, Inc. for Landscape Tracts and Golden Eagle Park.

Service Agreement for Underdrain Filming between the District and Ramey Environmental Compliance, Inc.: The Board discussed a Service Agreement for Underdrain Filming between the District and Ramey Environmental Compliance, Inc.

Following discussion, upon motion duly made by Director Burke, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved the Service Agreement for Underdrain Filming between the District and Ramey Environmental Compliance, Inc., for a not-to-exceed amount of \$6,000, plus mileage and technical services, subject to ratification by the Board.

RECORD OF PROCEEDINGS

ADJOURNMENT

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

Respectfully submitted,

By _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 (the “District”) HELD DECEMBER 29, 2020

A special meeting of the Board of Directors of the Prairie Center Metropolitan District No. 7 (referred to hereafter as “Board”) was convened on Tuesday, the 29th day of December, 2020 at 9:30 A.M. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held and properly noticed to be held via telephone conference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Michael Tamblyn (via conference call)

Rick Merkel (via conference call)

Brandon Schenberg (via conference call for a portion of the meeting)

Upon motion duly made by Director Schenberg, seconded by Director Merkel and, upon vote, unanimously carried, the absence of Wendy Burke was excused.

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc. (via conference call)

Paula Williams, Esq.; McGeady Becher P.C. (via conference call)

Thuy Dam; CliftonLarsonAllen LLP (via conference call)

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 Williams 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 Williams, that conflict disclosure statements were filed for all directors, including director candidate David Olderman, and that and no additional conflicts were disclosed at the meeting.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

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

Following discussion, upon motion duly made by Director Schenberg, seconded by Director Merkel and, upon vote, unanimously carried, the agenda was approved.

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, due to concerns regarding the spread of the coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the meeting would be held by telephonic means without any individuals (neither District Representatives nor the General Public) attending in person. Ms. Finn reported that notice was duly posted and that no objections to the telephonic manner of the meeting or any requests that the telephonic manner of the meeting be changed by taxpaying electors within the District boundaries have been received.

Resignation of Director: The Board acknowledged the resignation of Director Michelle Roberts, effective as of December 11, 2020.

Consideration of Board Appointments After Publication of Notice of Vacancies: It was noted that pursuant to Section 32-1-808(2)(a)(I), C.R.S., publication of a Notice of Vacancies on the Board was made on December 16, 2020 in the Brighton Standard Blade. No Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication.

As such, following discussion and upon motion duly made by Director Tamblyn, seconded by Director Merkel and, upon vote, unanimously carried, the Board appointed David Olderman to the Board of Directors to fill the vacancy, such appointment to be effective immediately.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Tamblyn seconded by Director Merkel and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Michael Tamblyn
Treasurer	Rick Merkel
Secretary	Ann E. Finn
Assistant Secretary	Wendy Burke
Assistant Secretary	Brandon Schenberg
Assistant Secretary	David Olderman

RECORD OF PROCEEDINGS

PUBLIC COMMENT There was no public comment.

OTHER MATTERS There were no other matters to discuss.

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

Respectfully submitted,

By _____
Secretary for the Meeting

Prairie Center Metropolitan District No. 7**Check List**

All Bank Accounts

November 1, 2020 - May 31, 2021

Check Number	Check Date	Payee	Amount
Vendor Checks			
1359	11/16/20	Asphalt Specialties Inc	156,706.52
1360	11/16/20	Aztec Consultants, Inc.	14,241.40
1361	11/16/20	Brightview Landscape Development, Inc.	109,840.80
1362	11/16/20	Brinkmann Construction	35,656.90
1363	11/16/20	CliftonLarsonAllen LLP	6,395.09
1364	11/16/20	Colorado Community Media Group	22.44
1365	11/16/20	Colorado Lighting, Inc,	674.50
1366	11/16/20	CTL Thompson	18,228.25
1367	11/16/20	DTJ Design, Inc.	1,366.47
1368	11/16/20	McGeady Becher, PC	245.00
1369	11/16/20	Omerta Storm Water Management	3,084.94
1370	11/16/20	RCD Construction Inc	498,014.70
1371	11/16/20	Redland Consulting Group Inc	15,356.92
1372	11/16/20	Special District Mgmt. Services, Inc	4,577.38
1373	11/16/20	Vargas Property Service Inc	6,611.06
1374	12/17/20	Aztec Consultants, Inc.	7,150.00
1375	12/17/20	Brightview Landscape Development, Inc.	110,914.79
1376	12/17/20	Brinkmann Construction	49,459.72
1377	12/17/20	CliftonLarsonAllen LLP	9,779.56
1378	12/17/20	CO Special Dist. Prop & Liab Pool	8,406.00
1379	12/17/20	Colorado Lighting, Inc,	20.00
1380	12/17/20	CTL Thompson	6,431.83
1381	12/17/20	DTJ Design, Inc.	359.40
1382	12/17/20	ESCO Construction Co.	7,375.50
1383	12/17/20	McGeady Becher, PC	4,453.94
1384	12/17/20	Omerta Storm Water Management	2,705.07
1385	12/17/20	RCD Construction Inc	214,201.25
1386	12/17/20	Redland Consulting Group Inc	8,237.83
1387	12/17/20	RME Ltd, LLC	30,000.00
1388	12/17/20	Snow Pros, Inc	2,670.00
1389	12/17/20	Special District Mgmt. Services, Inc	3,752.01
1390	12/17/20	Three Brothers Concrete, Inc	11,050.00
1391	12/17/20	Vargas Property Service Inc	4,133.75
1392	01/18/21	Aztec Consultants, Inc.	2,848.40
1393	01/18/21	Brightview Landscape Development, Inc.	38,032.07
1394	01/18/21	Brinkmann Construction	44,633.96
1395	01/18/21	CliftonLarsonAllen LLP	9,376.49
1396	01/18/21	Colorado Community Media Group	45.32
1397	01/18/21	Colorado Lighting, Inc,	114.50
1398	01/18/21	CTL Thompson	5,252.23
1399	01/18/21	DTJ Design, Inc.	586.50
1400	01/18/21	Omerta Storm Water Management	2,341.35
1401	01/18/21	Ramey Environmental Compliance Inc.	3,476.30
1402	01/18/21	RCD Construction Inc	231,109.92
1403	01/18/21	Redland Consulting Group Inc	675.00
1404	01/18/21	Snow Pros, Inc	4,402.50
1405	01/18/21	Special District Mgmt. Services, Inc	3,752.68
1406	01/18/21	TRAVELERS	6,010.00
1407	01/18/21	Utility Notification Center of CO	26.82
1408	01/18/21	Vargas Property Service Inc	983.33
1409	02/18/21	Aztec Consultants, Inc.	5,050.20
1410	02/18/21	Brightview Landscape Development, Inc.	16,460.57
1411	03/25/21	City of Brighton	210.61
1412	02/18/21	CliftonLarsonAllen LLP	4,717.09
1413	02/18/21	Colorado Lighting, Inc,	20.00
1414	02/18/21	CTL Thompson	10,676.54
1415	02/18/21	DTJ Design, Inc.	989.40

Prairie Center Metropolitan District No. 7**Check List**

All Bank Accounts

November 1, 2020 - May 31, 2021

Check Number	Check Date	Payee	Amount
1416	02/18/21	Hydro Physics Pipe Inspection Services	6,500.00
1417	02/18/21	McGeady Becher, PC	6,642.21
1418	02/18/21	Omerta Storm Water Management	1,398.50
1420	02/18/21	Redland Consulting Group Inc	11,420.24
1421	02/18/21	Special District Mgmt. Services, Inc	3,086.61
1422	02/18/21	Utility Notification Center of CO	56.76
1423	02/18/21	Vargas Property Service Inc	7,076.68
1424	02/25/21	Brinkmann Construction	40,598.82
1425	02/25/21	RCD Construction Inc	213,791.61
1426	03/18/21	Aztec Consultants, Inc.	1,988.40
1427	03/18/21	Badger Daylighting Corp	18,339.39
1428	03/18/21	Brinkmann Construction	54,219.13
1429	03/18/21	CliftonLarsonAllen LLP	7,422.31
1430	03/18/21	CTL Thompson	5,233.37
1431	03/18/21	DTJ Design, Inc.	172.50
1432	03/18/21	McGeady Becher, PC	1,052.29
1433	03/18/21	RCD Construction Inc	520,932.00
1434	03/18/21	Redland Consulting Group Inc	6,177.50
1435	03/18/21	Snow Pros, Inc	2,393.75
1436	03/18/21	Special District Association	478.12
1437	03/18/21	Special District Mgmt. Services, Inc	2,868.50
1438	03/18/21	Utility Notification Center of CO	60.72
1439	04/21/21	Aztec Consultants, Inc.	2,799.50
1440	04/21/21	Brinkmann Construction	37,411.13
1441	04/21/21	CliftonLarsonAllen LLP	7,613.05
1442	04/21/21	Colorado Lighting, Inc,	20.00
1443	04/21/21	CTL Thompson	9,030.47
1444	04/21/21	DTJ Design, Inc.	1,273.70
1445	04/21/21	McGeady Becher, PC	1,322.55
1446	04/21/21	RCD Construction Inc	163,135.69
1447	04/21/21	Redland Consulting Group Inc	2,795.00
1448	04/21/21	Snow Pros, Inc	1,755.00
1449	04/21/21	Special District Mgmt. Services, Inc	3,272.91
1450	04/21/21	Utility Notification Center of CO	178.20
1451	05/25/21	Aztec Consultants, Inc.	9,405.00
1452	05/25/21	Badger Daylighting Corp	4,230.00
1453	05/25/21	Brinkmann Construction	40,781.17
1454	05/25/21	CliftonLarsonAllen LLP	9,139.21
1455	05/25/21	Colorado Department of Public Health	135.00
1456	05/25/21	Colorado Lighting, Inc,	40.00
1457	05/25/21	CTL Thompson	13,666.13
1458	05/25/21	DTJ Design, Inc.	4,402.60
1459	05/25/21	Matrix Design Group, Inc.	941.50
1460	05/25/21	McGeady Becher, PC	1,007.50
1461	05/25/21	RCD Construction Inc	216,651.57
1462	05/25/21	Redland Consulting Group Inc	2,882.18
1463	05/25/21	Snow Pros, Inc	1,521.25
1464	05/25/21	Special District Mgmt. Services, Inc	3,317.20
1465	05/25/21	Utility Notification Center of CO	120.12
1466	05/25/21	Vargas Property Service Inc	5,373.34
ACH	05/25/21	United Power Inc	47.65
ACH	05/25/21	City of Brighton	366.38
ACH	04/25/21	City of Brighton	200.51
ACH	04/26/21	United Power Inc	48.39
ACH	03/23/21	United Power Inc	48.59
ACH	01/28/21	City of Brighton	210.61
ACH	02/25/21	City of Brighton	205.56
ACH	02/24/21	United Power Inc	50.18

Prairie Center Metropolitan District No. 7

Check List

All Bank Accounts

November 1, 2020 - May 31, 2021

Check Number	Check Date	Payee	Amount
ACH	01/25/21	United Power Inc	49.55
ACH	12/24/20	United Power Inc	49.48
ACH	12/24/20	City of Brighton	908.63
ACH	11/25/20	City of Brighton	2,481.73
ACH	11/25/20	City of Brighton	1,190.64
ACH	11/24/20	United Power Inc	49.48
Vendor Check Total			<u>3,205,952.56</u>
Check List Total			<u><u>3,205,952.56</u></u>

Check count = 121

SERVICE AGREEMENT FOR HYDROVAC SERVICES

THIS SERVICE AGREEMENT (“**Agreement**”) is effective as of the _____ day of February, 2021, by and between **PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **BADGER DAYLIGHTING**, a Nevada 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 Certification of Compliance with Illegal Alien Statute. By its execution hereof, the Consultant confirms and ratifies all of the certifications, statements, representations and warranties set forth in **Exhibit C** attached hereto and made a part hereof by this reference.

1.6 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 1.6, 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 1.6. 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 D** ("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 **upon completion of services**. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination. 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.

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; however, Subcontractor is not responsible for any pre-existing contamination to soils or spoils.

A 57

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.

A 57

(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.

A 57

(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.

A 57

(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 Federal Express 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
c/o Special District Management Service, Inc.
141 Union Blvd., Suite 150
Lakewood, CO 80228
Phone: 303-987-0835
Fax: 303-987-2032
Email: afinn@sdmsi.com
Attn: Ann Finn

With a Copy To: McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, Colorado 80203
Phone: (303) 592-4380
Fax: (303) 592-4385
Email: mmcgeady@specialdistrictlaw.com
Attn: MaryAnn M. McGeady

To Consultant: Badger Daylighting Corp
~~9501 E. 104th Avenue~~ US Contracts Dept. 8930 Motorsports Way
~~Henderson, CO 80640~~ Brownsburg, IN 46112
Phone: 317-456-1050
Email: USContracts@badger-corp.com
Attn: US Contracts

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service, 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:
BADGER DAYLIGHTING

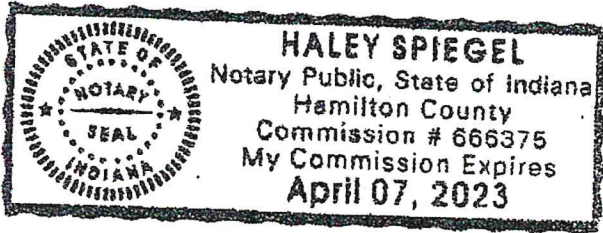
By: Amy Smallwood
Its: Contracts Specialist

STATE OF COLORADO Indiana)
COUNTY OF Hamilton) ss.
)

The foregoing instrument was acknowledged before me this 10th day of February, 2021, by Amy Smallwood, as Contract Specialist of Badger Daylighting Corp.

Witness my hand and official seal.

My commission expires: April 7th 2023



Notary Public

District:
PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7

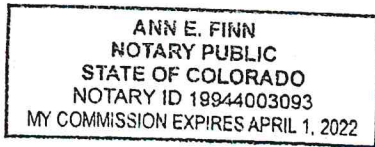
By: [Signature]
President

STATE OF COLORADO)
COUNTY OF Danvers) ss.
)

The foregoing instrument was acknowledged before me this 11th day of February, 2021, by Michael Tamblin, as President of Prairie Center Metropolitan District No. 7.

Witness my hand and official seal.

My commission expires: 4/1/22



[Signature]
Notary Public

**EXHIBIT A AND B
SCOPE OF SERVICES/ COMPENSATION**

Badger Hydrovac Estimate

United States

Prepared By: Mike Atkin
Title: Prairie Center





"An equal opportunity employer"

ESTIMATE	
DATE:	2/1/2021
REFERENCE #:	
PREPARED BY:	Mike Atkin
APPROVED BY:	

Customer Information			
Company:	Kroenke Group Prairie Center Metropolitan District No 7	Phone (o):	Phone (m): 303-378-4166
Contact:	Mike Tamblin	E-mail:	mtamblin@thekroenkegroup.com
Office Address:		Title:	
Billing Address:		Account #	
Service Location:	Prairie Center Metro District	Misc:	

Scope of Work			
Clean 6' pie utilizing jetter tools, cctv lines to confirm cleanliness. This work is quoted at 2 10hr days			

Union Rates	Rates apply to all work, except work governed by the Mainline Pipeline agreement.
--------------------	---

Description	Price	UM	Qty	Amount
Hydro-vac/ jetter unit	\$ 250.00	hour	20	\$ 5,000.00
CCTV unit price per job	\$ 5,500.00	job	1	\$ 5,500.00
Water	\$ 55.00	load	3	\$ 165.00
Flucuating fuel recovery	5.50%	ticket		\$ 586.50

Please note that this estimate is being provided for budgetary purposes only, and all work will be done on a time and materials basis. All work will be done under the terms and conditions contained in this Agreement.

Subtotal: \$ 11,251.50
FFR Fee: #VALUE!

TOTAL: #VALUE!

Company: Kroenke Group

PO#: _____

Name (please print): _____

Title: _____

Signature: _____

Date: _____

I am authorized to bind the Company



General Notes, Conditions, & Badger Responsibilities:

1. Travel rates apply when traveling from the closest Badger Operation to the client's project site.
2. Badger will off load material at contracted facility. Travel to and from a designated facility is considered part of the work day and charged at the hourly rate.
3. Any additional third party services provided by Badger Daylighting outside of our typical Hydrovac activities shall be charged out at cost + __% .
4. With any Hydrovac project, there are possible additional charges that are application and site specific. For example, items such as water trucks, specialized equipment and attachments (remote hose, etc.), crew trucks, and other items may be required. Rather than provide an extensive listing of all possible considerations, this is best implemented on a project-by-project basis and evaluated at the field operations level. The information presented in this document represents the complete proposal
5. This proposal is valid for 30 days from the date posted on this proposal document.
6. Any and all quotes, offers and transactions are pending Credit Approval by Badger.
7. Terms of Payment - Net 30 days from date of invoice. Late invoices subject to service fees.
8. Zero (0) % retainage is withheld.
9. Taxes – tax will be added to quote pricing as required by State/Local governments.
10. Currently a fluctuating fuel recovery fee will be applied to all invoices at a monthly calculated rate that is adjusted based upon the average cost of diesel as published by www.eia.gov.

Client responsibility include:

1. Access to the Hydrovac site, including permits and permission from property owners, utilities, and government agents.
2. Surface locates, survey marks and traffic control, if needed unless agreed to in writing prior.
3. Breaking, removal, and restoration of asphalt and or concrete unless agreed to in writing prior.
4. Establish, maintain and remediate accessible water source and disposal site.
5. Specific direction and locations for Hydrovac excavation.
6. Backfill and site restoration unless agreed to in writing prior to completing work.
7. Materials to secure and cover the excavation unless agreed to in writing prior.
8. Shoring, maintenance and barricading.
9. Ownership of the soil and debris removed by the Hydrovac including any soils or material contaminated or suspect.
12. Any project delays caused by others that result in downtime of Badger Hydrovac units will be billed at the hourly rates.
13. Pay for all specialized training that is required by contractor/owner/Badger to be on the site to work.
14. Notify Badger of all billing requirements and any appropriate purchase orders, job numbers, AFE, etc. that would be necessary to release payment to Badger. This must be done prior to the first day of work.

Client Representative

Printed Name: _____

Signature: _____

Date: _____

I am authorized to bind the Company

Badger Representative

Printed Name: _____

Signature: _____

Date: _____



EXHIBIT C
CERTIFICATION OF CONSULTANT

1. Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., the Consultant hereby certifies to the District that the Consultant does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that it will participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of the Consultant who are newly hired to perform work under the Agreement.

2. In accordance with Section 8-17.5-102(2)(a), C.R.S., the Consultant shall not:

(a) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or

(b) Enter into a contract with a subcontractor that fails to certify to the Consultant that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

3. The Consultant represents and warrants it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

4. The Consultant is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

5. If the Consultant obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Consultant shall:

(a) Notify the subcontractor and the District within three (3) days that the Consultant has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(b) Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Consultant shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

6. The Consultant shall comply with any reasonable request by the Colorado Department of Labor and Employment (“**Department**”) made in the course of an investigation that the Department is undertaking, pursuant to the law.

7. If the Consultant violates any provision of Section 8-17.5-102(1), C.R.S., the District may terminate the Agreement immediately and the Consultant shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by the Consultant to the Colorado Secretary of State, as required by law.

EXHIBIT D
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
PROFESSIONAL DESIGN SERVICES**

THIS SERVICE AGREEMENT FOR PROFESSIONAL DESIGN SERVICES (“**Agreement**”) is entered into and effective as of April ___, 2021, by and between **PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **DTJ DESIGN, 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, generally described in **Exhibit A**, attached hereto 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 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 represent that the quality of the Services shall be as specified in this Agreement and shall conform in all respects to the requirements of this Agreement.

(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.

(e) Shall not enter 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 Certification of Compliance with Illegal Alien Statute. By its execution hereof, the Consultant confirms and ratifies all of the certifications, statements, representations and warranties set forth in **Exhibit E** attached hereto and made a part hereof by this reference.

1.6 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 however **Work Product** does not pertain to any proprietary data developed by Consultant prior to this project. 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 1.6, 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 1.6. 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 and payment in full.

II. COMPENSATION

2.1 Compensation. The Consultant shall be paid as set forth in **Exhibit B** attached hereto with a total contract amount not to exceed \$8,900.00, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as **Exhibit D** ("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 satisfactory completion of the Services. Extensions of this Agreement must be in writing and executed by both Parties.

3.2 Termination. 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.

The District shall pay the Consultant for all Services satisfactorily performed in accordance with this Agreement through the termination date.

IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Consultant hereby agrees to indemnify 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 and employees (collectively, the “**Indemnitees**”), harmless from any and all liability for damage, including, but not limited to, the reimbursement of reasonable 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.

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.

(v) Professional Liability Insurance Coverage. The Consultant shall obtain and, continuously thereafter for the Statute of Repose from the date of substantial completion of the Services, maintain in full force and effect a claims made policy covering errors, omissions and negligent acts in the performance of its Services hereunder, in an amount of \$1,000,000 per claim and annual aggregate. The Consultant shall be solely responsible for the payment of all deductibles. Consultant's deductibles or Consultant's self-insured retentions shall be approved by the District.

(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 Federal Express 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, Colorado 80228
Phone: (303) 897-0835
Email: afinn@sdmsi.com
Attn: Ann Finn, Manager

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

And to: THF Prairie Center Development, LLC
9615 W. 77th Drive
Arvada, CO 80005
Phone: (303) 378-4166
Email: mtamblyn@thekroenkegroup.com
Attn: Michael Tamblyn

To Consultant: DTJ DESIGN, Inc.
3101 Iris Avenue, Suite 130
Boulder, Colorado 80301
Phone: 303-443-7533
Email: tkopf@dtjdesign.com
Attn: Thomas Kopf

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service, 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 prevailing Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees if awarded by the court as damages.

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:

DTJ DESIGN, INC., a Colorado corporation

By: _____

Its: _____

STATE OF COLORADO

)

) ss.

COUNTY OF _____

)

The foregoing instrument was acknowledged before me this ____ day of April, 2021, by _____ as _____ of DTJ Design, Inc.

Witness my hand and official seal.

My commission expires: _____

Notary Public

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

By: _____
Michael Tamblyn, President

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of April, 2021, 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

I. UNDERSTANDING/METHOD OF APPROACH

The purpose of this Agreement is to provide Final Documentation for Landscape Architectural Improvements, Bidding Assistance and Services During Construction for the Common Areas at Prairie Center Village I, Phase 4 located in Brighton, Colorado. The attached graphic illustrates the approximate Limit of Work covered by this Agreement. This Scope of Services includes the following Phases:

- Final Design Construction Documents (CD)
- Bidding Assistance (BA)
- Services During Construction (SDC)

Based on our current understanding of the Project, it is anticipated that an irrigation sub-consultant will not be required for this Phase of the Project (services were completed under previous Phases of the Project). However, if at some point, irrigation consultant services are necessary, their time will be billed under a new Scope of Services or under the existing Hourly Phase, as directed by the Client. It is assumed that the Client will provide the following sub-consultants for the Project, and that DTJ will coordinate with each, as required, to provide the Basic Services as described in this Agreement.

- Civil Engineer (street improvements / overlot grading / utilities) – Redland Consulting Group
- Structural Engineer (none anticipated – work provided under previous phasing)
- Surveyor – TBD
- Soils and Geotechnical - TBD
- Electrical design for Lighting - TBD

II. SCOPE OF BASIC SERVICES

PHASE 1: FINAL DESIGN - CONSTRUCTION DOCUMENTS (CD)

Based on the approved Final Improvement Plan, dated May 17, 2017, and lessons learned during the construction of earlier Phases of this Project, DTJ will finalize planting plans, site details, product selections, and materials/colors of site improvements in preparation for Construction Documents (CD) for Phase II of the Project.

The following Scope elements and deliverables are anticipated for the Common Areas:

Scope Elements:

1. Prepare Final Construction Documents and Planting Specification. Product Specifications shall be provided on the plans.
2. Finalize product selections, materials, colors and details for site furnishings and landscape improvements.

3. Finalize Landscape Planting Plans, including trees and shrub callouts, grass types, plant material lists, “typical street landscape”, planting notes, planting details, and methods.

Deliverables:

- Construction Documents as described above. Boiler plate contract/bid documents provided by Client.

PHASE 2: BIDDING ASSISTANCE

Based on the approved Construction Documents, DTJ shall assist the Client in the selection of a General Contractor. Value Engineering is not included within this Scope of Services. Any changes necessary due to Value Engineering can be handled under an hourly Scope of Services as a Change Order to this contract or as a new contract.

Scope Elements:

1. Prepare bid forms, including itemized quantities, for use in obtaining comparable bids from General Contractors.
2. Provide a list of “likely candidate” landscape contractors to the Client and assist in pre-qualification reviews, if appropriate.
3. Provide technical information, as it pertains to the Construction Documents and as required to orient the General Contractor in understanding the scope and quality of the Project.
4. Participate in one (1) pre-bid meeting, assist in answering any questions as they pertain to the Construction Documents and issue any addenda, as needed.
5. Participate in one (1) bid opening meeting.
6. Participate in review of bids, provided by the General Contractors, assisting the Client in determination of Contractor’s completeness of bids and their understanding of the bid project. Provide detailed spreadsheet of “Unit Price Schedule” based on General Contractors’ bids for final comparison.

Deliverables:

- Bid forms for General Contractor’s bidding
- Meeting participation (anticipate two (2) meetings)
- Final Bid Form comparisons (spreadsheet)

PHASE 3: SERVICES DURING CONSTRUCTION (Hourly)

The construction schedule and duration are unknown and is to be determined. To assist the Client and their selected General Contractor during construction, DTJ will provide Services During Construction (SDC), and as directed by the Client.

Scope Elements: (Anticipated Scope of Services to be determined by Client's needs)

1. Participate in pre-construction meeting.
2. With the commencement of the construction of landscape improvements and at the request of the Client, DTJ will participate in construction meetings/site visits and field questions regarding clarification to the Construction Documents. DTJ will report on the progress of the Project and provide a written log of Construction Observations for design intent.
3. Provide telephone support, documentation of supplemental instructions, and respond to Requests for Information/Clarification (RFI/RFC) and directories regarding DTJ's design intent, as directed by Client.
4. Review submittals, shop drawings, and samples as provided by the General Contractor or sub-contractors for construction and as required by the Construction Documents and Technical Specifications, as directed by Client.
5. Revise Construction Documents per changes directed by the Client during the construction process. This Scope of Services includes meetings and telephone conversations with the Client or other project team members in coordinating the drawings to reflect those changes. Produce construction Change Order Directives upon request.
6. As directed by the Client, perform "Punch List" and "Final Walkthrough," for "Substantial Completion" of project and "Start of Maintenance Period" (a total of four (4) site visits are anticipated).
7. Assist Client with Contractor Request for Payment based on progress of construction and provide approval of Applications for Payment.
8. Provide Landscape Architect's Letter of Completion in accordance with design plans and specifications.

Note: It is understood and agreed that the Scope of Services of this Agreement does not extend to, or include the review of or verification of, dimensional accuracy, testing, fit of building, or conformance with the various specifications and guidelines. DTJ shall not control or be responsible for construction means, progress, methods, techniques, sequences, supervision, or procedures; nor for safety precautions and programs in connection with the project; nor for the acts or omissions of the Client, his/her contractor or sub-contractors, or any other persons performing work on the project; nor for the failure of any of these to

carry out the project in accordance with any plans or documents prepared by DTJ. The above Scope of Services does not include “Record Drawings”.

Deliverables:

- Elements as described above

**EXHIBIT B
COMPENSATION**

COMPENSATION AND PAYMENT FOR SERVICES

A. Regarding the services to be provided under this Agreement, DTJ will execute Phase 1 and 2 for a Fixed Fee of \$8,900, excluding expenses. You will be billed monthly, based on the percent-of-completion. Services during Construction will be executed on an Hourly Basis, accruing fees according to DTJ's Standard Hourly Rates, as outlined in the incorporated Standard Terms of Agreement. You will be billed for these services monthly, as time is expended.

PHASE 1 – Final Design	\$6,400
PHASE 2 - Bidding Assistance	\$2,500

TOTAL Phases 1 & 2 \$8,900

PHASE 3 – Services During Construction	Hourly
--	--------

B. Additionally, DTJ and its consultants, if any, shall be reimbursed for expenses incurred in the interest of the Project. Those prices listed in DTJ's Standard Terms of Agreement shall apply to those reimbursable items produced in-house. Other expenses associated with procuring and/or producing needed item(s) or services(s) will be billed at no less than cost, and at no more than cost-plus-five percent (5%). Such expenses will include but are not limited to printing, visual documentation of project graphics, postage, delivery, mileage, per diem, and fax. Travel expenses related to the Project will be billed at 1.05 times cost.

C. This Agreement anticipates DTJ's services will proceed continuously and will be completed within six (6) months. If and to the extent this time is extended, or if DTJ's services are delayed or interrupted and have not been completed within this time limitation, compensation for any services rendered during the additional period shall be computed as an Additional Service based on the Standard Hourly Rates then in effect. Costs associated with re-starting the project after a suspension of work of thirty (30) days or longer shall be an Additional Service.

EXHIBIT C
CERTIFICATION OF CONSULTANT

1. Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., the Consultant hereby certifies to the District that the Consultant does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that it will participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of the Consultant who are newly hired to perform work under the Agreement.

2. In accordance with Section 8-17.5-102(2)(a), C.R.S., the Consultant shall not:

(a) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or

(b) Enter into a contract with a subcontractor that fails to certify to the Consultant that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

3. The Consultant represents and warrants it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

4. The Consultant is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

5. If the Consultant obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Consultant shall:

(a) Notify the subcontractor and the District within three (3) days that the Consultant has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(b) Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Consultant shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

6. The Consultant shall comply with any reasonable request by the Colorado Department of Labor and Employment (“**Department**”) made in the course of an investigation that the Department is undertaking, pursuant to the law.

7. If the Consultant violates any provision of Section 8-17.5-102(1), C.R.S., the District may terminate the Agreement immediately and the Consultant shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by the Consultant to the Colorado Secretary of State, as required by law.

**EXHIBIT D
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

AGREEMENT ON PERMIT FOR EASEMENT CROSSING

THIS AGREEMENT ON PERMIT FOR EASEMENT CROSSING (the “Agreement”), made and entered into this _____ day of _____, 2021 (the “Effective Date”), by and between THE BRIGHTON LATERAL DITCH COMPANY, a Colorado mutual irrigation corporation organized under the laws of the State of Colorado (“Ditch Company”), and PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is c/o Special District Management Services, Inc., 141 E. Union Boulevard, Suite 150, Lakewood, Colorado 80228 (“Grantee”), is upon the following terms and conditions:

1. Ditch Company hereby grants unto Grantee, its successors and permitted assigns, a permit (the “Permit”) over, under and across the Brighton Lateral Ditch (the “Ditch”) and easement as presently located in the following described property located in the City of Brighton (the “City”), County of Adams, State of Colorado (the “Premises”), to-wit:

SEE EXHIBIT A.

2. The Permit shall be only for the construction, installation, repair, operation and maintenance of the following structures:

(a) an underdrain facility as generally depicted on Exhibit A-1, attached hereto and incorporated herein by this reference (“Underdrain”);

(b) a culvert facility as generally depicted on Exhibit A-2, attached hereto and incorporated herein by this reference (“35th Avenue Culvert”);

(c) a storm drain facility as generally depicted on Exhibit A-3, attached hereto and incorporated herein by this reference (“35th Avenue Storm Drain”);

(d) a pedestrian/bike path facility running parallel with the Ditch and within the Ditch right of way as generally depicted on Exhibit A-4, attached hereto and incorporated herein by this reference (“Brighton Lateral Trail”);

(e) a pedestrian bridge structure as generally depicted on Exhibit A-5, attached hereto and incorporated herein by this reference (“Brighton Lateral Pedestrian Bridge”);

(f) a watermain facility as generally depicted on Exhibit A-6, attached hereto and incorporated herein by this reference (“35th Avenue Watermain”); and

(g) a roadway crossing as generally depicted on Exhibit A-7, attached hereto and incorporated herein by this reference (“35th Avenue Street Improvements”).

Each of the Underdrain, 35th Avenue Culvert, 35th Avenue Storm Drain, Brighton Lateral Trail, Brighton Lateral Pedestrian Bridge, 35th Avenue Watermain and 35th Avenue Street Improvements constitute a “Permitted Structure” under this Permit. The rights granted in this Permit are subordinate to the rights of the Ditch Company and to the rights granted by Ditch Company to any prior permittee or licensee on the Premises. All uses by Grantee under this Permit shall be subordinate to the rights of Ditch Company in its property, easement and right of way. The Prairie Center Village I Construction Plans dated April 6, 2018 related to the Permitted Structures (the “Construction Plans”) have been made available to the Ditch Company and are hereby incorporated into this Permit by way of this reference.

3. Construction Notice. The Grantee agrees to notify Ditch Company's agent, New Brighton Lateral, LLC ("NBL"), in writing, prior to commencing construction of the Permitted Structures ("Construction Notice"), and to diligently pursue completion of the same. Any Construction Notice shall be provided to NBL no less than thirty (30) days prior to the date Grantee proposes to commence construction and shall include Grantee's detailed and specific project plan for construction of the Permitted Structures including all scheduling and staging information and the identity of Grantee's contractor, if any (the "Contractor"), and subcontractors intended to be used by Grantee, all of which shall be reasonably satisfactory to NBL. NBL shall, within ten (10) business days following receipt of the Construction Notice, respond to the same in writing, acknowledging the commencement of construction and the related project plan. The absence of NBL's written response after such period shall be deemed approval by NBL. Grantee may thereafter commence construction of such Permitted Structures. Grantee or its Contractor shall ensure the completion of the Permitted Structures on a timely basis, in accordance with the design, Plans and Construction Notice, and shall not stop or limit the amount of water run in the Ditch.

4. Contractor Requirements. In addition to the Construction Notice to be delivered to NBL from Grantee, either Grantee or the Contractor shall fulfill all Contractor requirements described in Exhibit B (the "Contractor Requirements"), as attached hereto and made a part hereof, including without limitation the Call Ahead notice described in paragraph 2 of Exhibit B.

5. If construction of the Permitted Structures fails to commence prior to December 31, 2022, then this Permit shall automatically terminate and be of no further force and effect, unless the parties agree in writing otherwise. Notwithstanding the foregoing, the parties acknowledge that Grantee intends to perform an open cut the Ditch and complete the construction of the Underdrain, 35th Avenue Culvert, 35th Avenue Storm Drain, and 35th Avenue Watermain (collectively, the "Open Cut Improvements") prior to the start of either the 2021 Irrigation Season or the 2022 Irrigation Season (defined below). For avoidance of doubt, the Grantee shall not perform the Open Cut Improvements during either the 2021 Irrigation Season or the 2022 Irrigation Season. Grantee acknowledges and agrees that the construction of the Open Cut Improvements must be fully complete (including without limitation, acceptance by NBL of a soil compaction report completed by an independent certifying engineering firm) no later than March 15, 2021 or March 15, 2022 (the "Open Cut Completion Date"). Following construction of the Permitted Structures, Grantee, its successors and assigns, shall have and hold the Permit until the earlier of either Grantee, its successors and assigns advises in writing that they no longer need or desire the Permit with respect to any or all of the Permitted Structures, or Grantee, its successors and assigns, abandon any or all of the Permitted Structures through non-use of such Permitted Structure for a period of at least 36 months. Upon delivery of such written notice or upon such abandonment, Grantee shall remove, at its own cost, the Permitted Structure(s) and restore the Premises to their condition existing immediately prior to the grant of this Permit.

6. Ditch Company grants to Grantee the right of ingress and egress to and from the Permitted Structures using the Ditch Company's maintenance road alongside the Ditch, solely as necessary and reasonable for the exercise of the rights granted herein. Grantee shall be fully liable for any damage to the Premises, including without limitation the maintenance road, caused

by Grantee's or its Contractors' use of the Premises and shall promptly repair such damage and restore the Premises to its' condition existing prior to such damage. Grantee shall bear the sole obligation of obtaining from the fee title owner of the Premises or others owning proprietary interest in the Premises, such authority or rights as Grantee may need in addition to this Permit for Grantee's use of the Premises. Without limiting the foregoing, the parties acknowledge that the Brighton Lateral Trail will be constructed on, over and across the Ditch maintenance road, and agree that Grantee shall be responsible for maintaining such Brighton Lateral Trail without interference to the Ditch Company's operation and maintenance of the Ditch. Grantee shall have the right to partially assign this Permit, without consent, but with prior written notice to Ditch Company, to the City of Brighton or such other governmental authority that acquires, is dedicated or assumes maintenance responsibility with respect to any of the Permitted Structures, including, but not limited to, the Brighton Lateral Trail. Upon such assignment, Grantee shall be released from its obligations hereunder solely with respect to such Permitted Structures.

7. Grantee shall comply with all federal, state and local laws, rules and regulations applicable to the construction, installation, repair, operation and maintenance of the Permitted Structures. None of the Permitted Structures and no other structure shall be placed on the Ditch right of way, and all of the underground Permitted Structures shall be maintained below the invert of the Ditch so as not to interfere in any manner with the Ditch Company's operation, maintenance, dredging or other use of the Ditch. If any Permitted Structure is constructed by horizontal directional drilling, no bore pit shall be placed, and no excavation or other work shall take place, within the Premises without the prior written consent of the Ditch Company. Durable markers such as Carsonite® posts or equivalent shall be placed where the licensed Permitted Structures enters and departs the Premises and at all points of change in direction of the underground Permitted Structures. If said markers cannot practically be set over the centerline of the underground Permitted Structures because of roadways or similar obstructions on the surface, markers shall be placed as closely as practicable to said centerline. Such markers shall have a placard affixed, bearing the legend, "Marker is not over underground facility," or equivalent.

8. The grant of the Permit does not prohibit the Ditch Company from enlarging, removing, relocating, accessing or otherwise operating or maintaining the Ditch and any related facilities or structures, within the boundaries of the Ditch Company's fee owned property or within the boundaries of any easements granted to the Ditch Company. Ditch Company shall have the right to relocate or change the Permitted Structures at its option, provided, however, any costs associated with such optional relocation or change shall be borne by Ditch Company and Ditch Company shall provide Grantee at least 90 days' prior written notice of such relocation or change. Further provided, that any relocation of the Permitted Structures must not interrupt any utility services provided to third parties and any modification of the Permitted Structures may only be done after review and approval by the Grantee and the City. After completion of the Permitted Structures, if the Ditch Company is required to change or relocate the Ditch and any related facilities or structures as a result of regulatory or safety issues, or any issues beyond its direct control and such change or relocation also requires that any Permitted Structure(s) be changed or relocated, Grantee or the City (whomever has ownership and responsibility for the Permitted Structure(s) at the time of the request) agrees to complete such changes to or relocation of such Permitted Structure(s) at its sole cost and expense.

9. (a) (i) As used in this Permit, the term "Claims" means: (1) losses, liabilities, and expenses of any sort, including attorneys' fees; (2) fines and penalties; (3) environmental costs, including, but not limited to, investigation, removal, remediation and restoration costs, and consultant and other fees and expenses; and (4) any and all other costs or expenses. (ii) As used in this Permit, the term "Injury" means (1) death, personal injury, or property damage; (2) loss of profits or other economic injury; (3) disease or actual or threatened health effect; and (4) any consequential or other damages.

(b) To the maximum extent permitted by law Grantee covenants and agrees to at all times protect, indemnify, hold harmless and defend the Ditch Company, its directors, officers, agents, employees, successors, assigns, parents, subsidiaries and affiliates from and against any and all Claims arising from, alleged to arise from, or related to any Injury actually occurring, imposed as a result of, arising from or related to: (1) Grantee's negligent or willful misconduct occurring through its actions or inactions under this Permit; (2) Grantee's negligence or willful misconduct in the construction, existence, maintenance, operation, repair, inspection, removal, replacement, or relocation of the Permitted Structures on the Premises; or (3) Grantee's or any other person's presence at the Premises as a result of or related to this Agreement.

(c) Grantee's duty to protect, indemnify, hold harmless, and defend hereunder shall apply to any and all Claims and Injury, including, but not limited to: (i) Claims asserted by any person or entity, including, but not limited to, employees of Grantee or its Contractors, subcontractors, or their employees; (ii) Claims arising from, or alleged to be arising in any way from, the existence at or near the Premises of water and ditches or other associated facilities; or (iii) Claims arising from, or alleged to be arising in any way from, the acts or omissions of Grantee, its sublessees, invitees, agents, or employees. Grantee's duty to protect, indemnify, hold harmless and defend hereunder shall NOT apply to any Claims or Injury arising from Ditch Company's negligence or willful misconduct.

(d) Grantee hereby releases Ditch Company, its successors, assigns, employees, agents, officers and stockholders from any and all Claims, Injury and damages whatsoever to the Permitted Structures arising out of the operation or maintenance or construction of the Ditch, excluding any Claims, Injury and damages arising from Ditch Company's negligence or willful misconduct. Without limiting the foregoing, Grantee shall be responsible for designing and constructing the Brighton Lateral Trail (whether or not paved) to sustain the Ditch Company's operations and maintenance vehicles (which may include, without limitation, heavy equipment such as backhoes, dump trucks and watering tanks), and Grantee agrees that the Ditch Company shall not be responsible for any damage to the Brighton Lateral Trail that results from the Ditch Company's operation and maintenance of the Ditch (absent negligence or willful misconduct), however, Ditch Company agrees to use reasonable efforts to protect the Brighton Lateral Trail against any damage during the Ditch Company's use and maintenance, including, without limitation the Ditch Company's use of heavy machinery, such as covering and protecting the Brighton Lateral Trail during excavation.

10. In the absence of prior written permission from Grantor, no boring or cutting of the Ditch will be permitted at any time there is water in the Ditch (generally between April 1 and November 1 of each calendar year; the "Irrigation Season"). Notwithstanding the foregoing, if construction is to be conducted during the Irrigation Season (pursuant to Grantor's express written permission), Grantee or its Contractor must furnish permitted improvement bonds for the Facility to New Brighton Lateral, LLC ("NBL") and Brighton Lateral Ditch Company

("BLDC"), in a form acceptable to each of NBL and BLDC, and in an amount equal to \$500,000 each, to protect NBL and BLDC from potential liability for loss of water, damages to third party persons and property and damages to crops (either directly or from inability to deliver water), and loss of water due to water quality degradation. These bonds shall be in addition to any bonding required of the Contractor by Grantee for the project. No repair or maintenance of the Permitted Structures by Grantee shall be done during the Irrigation Season, or in any manner that interferes with the Ditch Company's operation or maintenance of its Ditch in Ditch Company's sole determination, except in the event of an emergency. Further, Grantee shall assure that any portion of the Ditch that is affected by Grantee's construction activities will be ready to carry water on the first day of the Irrigation Season, or such later date as Ditch Company shall specify in writing in its sole discretion. Grantee shall coordinate all such construction with NBL. No placement of any Permitted Structures or improvement within the Premises by any person shall be permitted by Grantee except in accordance with this Agreement. Installation, repair and maintenance of the Permitted Structures shall be entirely without cost to Ditch Company. The Grantee shall return the Ditch to its condition prior to installation of the Permitted Structures and shall take all necessary measures to stop any seepage from the Ditch, including without limitation, compacting or re-compacting the soil impacted by the Permitted Structures and/or lining portions of the Ditch (subject to the Ditch Company's prior approval) impacted by the Permitted Structures.. Any damage done to the Premises, to the Ditch and/or other facilities as a result of the construction, operation, maintenance, repair, inspection, removal, replacement or relocation of the Grantee's Permitted Structures shall be paid for or repaired at the expense of the Grantee. Grantee shall neither permit nor suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the Premises for any work done or material furnished thereon at the instance or request or on behalf of Grantee. Grantee shall indemnify and hold harmless Ditch Company against and from any and all liens, claims, demands, costs and expenses of whatsoever nature in any way connected with or growing out of such work done, labor performed, or materials furnished.

10.1 Liquidated Damages / Work Remedy. Grantee acknowledges that the Ditch Company must prepare the Ditch to carry water for the 2021 Irrigation Season (or if the Open Cut Improvements are not completed before the 2021 Irrigation Season, prior to the 2022 Irrigation Season) and may release irrigation water into the Ditch on or around April 1, 2021 or April 1, 2022 for the benefit of the shareholders of the Ditch Company, who rely on the water for irrigation of crops and other agricultural uses, and that the Ditch Company and its shareholders will suffer immediate and irreparable harm in the event that such release of water is delayed or impeded as a result of the Open Cut Improvements. The parties agree that the amount of loss or damages likely to be incurred by the Ditch Company as a result of Grantee's failure to fulfill all of its obligations as provided herein is incapable or difficult to precisely estimate. As the alternative, Grantee and the Ditch Company agree that an appropriate damage calculation shall be \$2,000.00 per day for every day that the Open Cut Improvements remain incomplete or not sufficiently complete to the reasonable satisfaction of the Ditch Company after the Open Cut Completion Date, and that such amount shall be treated as liquidated damages and not penalties. The liquidated damages shall be in addition to any injunctive relief available to the Ditch Company or NBL at law or in equity. Notwithstanding the foregoing, in the event that any portion of the Open Cut Improvements is incomplete or insufficiently complete after the Open Cut Completion Date, the Ditch Company reserves the right, in its sole discretion, to

immediately, and without further notice to Grantee, complete or remove the Open Cut Improvements, in whole or in part, and Grantee agrees to pay all costs and expenses incurred by the Ditch Company and NBL in connection with such completion or removal.

11. Fees.

11.1. The Grantee, at the time of execution of this Agreement, will pay Ditch Company a non-refundable crossing fee (the "Crossing Fee") per Permitted Structure in the amount of either: (a) \$4,000, if the Permitted Structure is bored under the Ditch outside of the Irrigation Season; or (b) \$12,000 if the Permitted Structure is bored under the Ditch during the Irrigation Season (subject to Grantor's prior written approval). The Crossing Fee for each Permitted Structure shall be as follows:

Open Cut Improvements	\$2,500
Brighton Lateral Trail	\$2,500
Brighton Lateral Pedestrian Bridge.....	\$2,500
35th Avenue Street Improvements	\$2,500
TOTAL CROSSING FEES	\$10,000

11.2. Grantee shall reimburse Grantor for its actual and reasonable engineering and legal expenses incurred as a result of the review and approval of the Permitted Structures and this Agreement, respectively, as well as Grantor's engineering expenses incurred as a result of any and all on-site inspections during and upon completion of construction of the Permitted Structures. At the time of execution of this Agreement, Grantee shall deposit with Grantor the sum of Six Thousand Five Hundred Dollars (\$6,500.00) as pre-payment for the reimbursement of such engineering and legal expenses incurred by Grantor in connection with the Permitted Structures. Within sixty (60) days following the completed Construction of the Permitted Structures, either Grantor will return to Grantee the difference between such pre-payment and the actual cost of Grantor's engineering and legal expenses, or Grantee shall pay to Grantor any additional amount over and above such pre-payment to reimburse Grantor for additional engineering and legal review expenses incurred in connection the review of the Permitted Structures.

11.3. At least 20 days prior to the start of construction of any Facility, Grantee or its Contractor shall submit to NBL an as-built security deposit of \$5,000 per Permitted Structure. This security deposit will be refunded within thirty (30) days after completion of the construction, provided that Grantee or its Contractor submits acceptable as-built drawings to NBL in accordance with paragraph 1 of Exhibit B.

11.4. In the event that either (a) Grantee pays the Crossing Fee for construction during the Irrigation Season, but actually conducts the construction outside of the Irrigation Season, or (b) this Agreement expires pursuant to Section 5; then Grantor shall be under no obligation to return any Crossing Fees or pre-payment of engineering/legal review expenses to Grantee. At the time of execution of this Agreement Grantee shall remit such Crossing Fee and pre-payment for expenses to Ditch Company's agent as follows: New Brighton Lateral, LLC, c/o WIPFLI, 789 Sherman Street, Suite 575, Denver, CO 80203; Attn: Ms. Debbie Genella; (303) 515-2954.

12. At all times that Grantee is undertaking construction of the Permitted Structures, Grantee or Grantee's Contractor shall maintain in force builder's risk and public liability

insurance policies naming BLDC and NBL, and each of their officers, directors, employees, agents and contractors as additional insureds against damage to property, easements and facilities. Such insurance policies shall provide no less than \$2,000,000 coverage for injury to or death of persons and \$2,000,000 for damage to property, and shall also limit NBL's and BLDC's liability, with endorsements and limitations acceptable to NBL and BLDC. At least 20 days prior to the start of construction of any Permitted Structures, the Grantee or Grantee's Contractor shall submit to NBL a certificate (or certificates) of insurance providing evidence of the foregoing.

13. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. This Permit may not be assigned or transferred by Grantee without the prior written consent of Ditch Company, which consent shall not be unreasonably withheld. In the event of any breach of this Permit by Grantee, following written notice and a 30 day cure period, during which Grantee fails to cure such breach, the rights granted to Grantee shall immediately cease and terminate; and Grantee, its successors or permitted assigns shall pay to Ditch Company all of Ditch Company's costs and expenses, including Ditch Company's actual attorney fees and costs caused by such breach.

14. By signing the Agreement: (i) Grantee certifies that the Permitted Structures shown in Exhibit A and the materials and methods shown therein are true and accurate to the best of Grantee's knowledge and that any Contractor of Grantee shall be obligated to construct the Permitted Structures in the manner as shown by the Plans. Grantor approves and accepts the design of the Permitted Structures as described in the Construction Plans and this Agreement, however, nothing in such approval and acceptance of the designs and Plans by Grantor shall in any way alter, extend or limit the rights and obligations of the Grantor other than as set forth in the Agreement. Grantor is expressly relying on the designs, performance standards, materials and construction techniques and methods set forth in the designs and Construction Plans as presented by Grantee, and Grantee shall be solely responsible for ensuring that, as constructed, the Permitted Structures shall provide for the performance standards set forth in the designs and Construction Plans as well as the performance standards generally recognized and accepted as best practices within the industry.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

Grantee: PRAIRIE CENTER METROPOLITIAN DISTRICT NO. 7

By: _____

Printed name and title: Mike Tamblyn, President

STATE OF COLORADO)

) ss.

COUNTY OF DENVER)

The foregoing was acknowledged before me this _____ day of _____, 2021, by Mike Tamblyn, as President, as Grantee.

Witness my hand and official seal.

My commission expires: _____

Notary Public

THE BRIGHTON LATERAL DITCH COMPANY

ATTEST:

Barry Marrs, Secretary

By: _____
David Sack, President

STATE OF COLORADO)

) ss.

COUNTY OF _____)

The foregoing was acknowledged before me this _____ day of _____, 2021, by David Sack, as President, and Barry Marrs, as Secretary, of The Brighton Lateral Ditch Company, a Colorado mutual irrigation company.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A
PREMISES AND PERMITTED STRUCTURES

1. Location of Permitted Structures:

The Permitted Structures will be located in the City of Brighton, Adams County, Colorado, as follows:

- 1.1. Legal description: See attached drawings.
 - 1.2. Nearest major cross streets or County roads, and distance from construction site: Eagle Blvd. and S. 35th Avenue, City of Brighton.
2. Proposed construction date: approx. Feb. 1, 2021 to Mar. 15, 2021.

OVERALL PLAN VIEW

**Exhibit A-1:
Underdrain Facility**

**Exhibit A-2:
35th Avenue Culvert**

**Exhibit A-3:
35th Avenue Storm Drain**

**Exhibit A-4:
Brighton Lateral Trail**

**Exhibit A-5:
Brighton Lateral Pedestrian Bridge**

**Exhibit A-6:
35th Avenue Watermain**

**Exhibit A-7:
35th Avenue Street Improvements**

EXHIBIT B
CONTRACTOR REQUIREMENTS

1. **As-Built Drawings.** Within twenty (20) days following completion of construction of the Permitted Structures, the Contractor shall document and provide to NBL the as-built profile and alignment, for all areas near the Ditch, providing x-y-z coordinates at intervals not to exceed 25 feet. Any change to the planned profile and alignment must be reflected on the as-built profile. The Contractor must show the actual located profile and alignment in addition to the planned profile and alignment. As-built documentation shall be produced in MicroStation/InRoads format to be delivered to NBL. The Contractor shall also provide as-built documentation in AutoCAD format and it shall be submitted as an AutoCAD file and a PDF. The Contractor shall use the coordinate system on the Project Control Diagram and provide elevation information using the same datum as the submitted permit application.

2. **Call Ahead.** At least 48 hours before any Ditch crossing activities or construction begins, Contractor shall notify a Ditch Company representative both in writing (email sufficing) and verbally (telephone call or voicemail message sufficing). The Ditch Company representative or his designee shall be granted safe and unimpeded access to all areas of the HDD operation and all HDD equipment for purposes of project inspection and data collection. Ditch Company's representative is Mr. Drew Damiano (phone number 303-902-2564; email drew@unitedwaterdistrict.com).

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7

FINANCIAL STATEMENTS

MARCH 31, 2021

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
BALANCE SHEET - GOVERNMENTAL FUNDS
MARCH 31, 2021

	General	Debt Service	Capital Projects	Total
ASSETS				
Cash - Checking	\$ 38,067	\$ 76,192	\$ 544,150	\$ 658,409
UMB - Series 2020 Revenue	-	690,917	-	690,917
UMB - Series 2020 Reserve	-	812,813	-	812,813
UMB - Series 2020 Restricted Proj	-	-	6,919,649	6,919,649
UMB - Series 2020 Bond Interest	-	665	-	665
UMB - Series 2020 Mandatory Redemption	-	10,600	-	10,600
Receivable from County Treasurer	1,175	5,874	-	7,049
TOTAL ASSETS	\$ 39,242	\$ 1,597,061	\$ 7,463,799	\$ 9,100,102
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable	\$ 29,641	\$ -	\$ 837,935	\$ 867,576
Retainage payable	-	-	132,004	132,004
Unearned fees	2,442	-	-	2,442
Project management fees payable	-	-	430,113	430,113
Project management fees interest payable	-	-	46,966	46,966
Total Liabilities	32,083	-	1,447,018	1,479,101
FUND BALANCES				
Total Fund Balances	7,159	1,597,061	6,016,781	7,621,001
TOTAL LIABILITIES AND FUND BALANCES	\$ 39,242	\$ 1,597,061	\$ 7,463,799	\$ 9,100,102

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
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE MONTHS ENDED MARCH 31, 2021

GENERAL FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Property taxes	\$ 37,411	\$ 11,310	\$ (26,101)
Specific ownership taxes	2,618	653	(1,965)
Interest income	-	1	1
Working capital fees	63,000	4,200	(58,800)
Operations fees	24,000	9,889	(14,111)
TOTAL REVENUES	<u>127,029</u>	<u>26,053</u>	<u>(100,976)</u>
EXPENDITURES			
Accounting	35,000	10,612	24,388
Billing and collection	12,000	4,398	7,602
Accounting - non recurring	5,000	1,254	3,746
Audit	4,500	-	4,500
County Treasurer's fees	561	170	391
Dues and membership	500	478	22
Insurance	13,000	20,876	(7,876)
District management	18,000	3,017	14,983
Legal services	20,000	3,223	16,777
Miscellaneous/Contingency	25,539	430	25,109
Repairs and maintenance - District Tracts	2,400	-	2,400
Landscape maintenance - District Tracts	21,000	5,110	15,890
Landscape maintenance - Park	12,000	3,010	8,990
Electric - District Tracts	500	147	353
Irrigation water - District Tracts	40,000	612	39,388
Small tools and supplies	10,000	5,670	4,330
Community management	20,000	4,200	15,800
TOTAL EXPENDITURES	<u>240,000</u>	<u>63,207</u>	<u>176,793</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(112,971)</u>	<u>(37,154)</u>	<u>75,817</u>
OTHER FINANCING SOURCES (USES)			
Developer advances	72,885	-	(72,885)
TOTAL OTHER FINANCING SOURCES (USES)	<u>72,885</u>	<u>-</u>	<u>(72,885)</u>
NET CHANGE IN FUND BALANCES	<u>(40,086)</u>	<u>(37,154)</u>	<u>2,932</u>
FUND BALANCES - BEGINNING	<u>43,986</u>	<u>44,312</u>	<u>326</u>
FUND BALANCES - ENDING	<u>\$ 3,900</u>	<u>\$ 7,158</u>	<u>\$ 3,258</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 METROPOLITAN DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE MONTHS ENDED MARCH 31, 2021

DEBT SERVICE FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Specific ownership taxes	\$ 13,095	\$ 3,264	\$ (9,831)
Interest income	5,000	267	(4,733)
Facilities fees	357,000	42,000	(315,000)
Credit public improvement fees	182,070	22,767	(159,303)
Add - On public improvement fees	182,070	22,767	(159,303)
Drainage impact fees	545,020	32,060	(512,960)
Rebated City fees	804,054	175,676	(628,378)
Neighborhood Park impact fees	202,300	11,900	(190,400)
Property taxes	187,066	56,553	(130,513)
TOTAL REVENUES	2,477,675	367,254	(2,110,421)
EXPENDITURES			
County Treasurer's fees	2,806	848	1,958
Miscellaneous/Contingency	3,413	-	3,413
Paying agent fees	6,000	-	6,000
Bond interest	487,781	-	487,781
Bond principal	500,000	-	500,000
TOTAL EXPENDITURES	1,000,000	848	999,152
NET CHANGE IN FUND BALANCES	1,477,675	366,406	(1,111,269)
FUND BALANCES - BEGINNING	1,472,988	1,230,656	(242,332)
FUND BALANCES - ENDING	\$ 2,950,663	\$ 1,597,062	\$ (1,353,601)

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
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE MONTHS ENDED MARCH 31, 2021

CAPITAL PROJECTS FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Credit public improvement fees - PRI	91,000	5,692	(85,308)
Interest income	10,000	1,330	(8,670)
TOTAL REVENUES	<u>101,000</u>	<u>7,022</u>	<u>(93,978)</u>
EXPENDITURES			
PPI			
Village 1 - Phase 2	-	18,316	(18,316)
Village 1 - Phase 3	1,350,000	455,598	894,402
Village 1 - Phase 4	-	6,610	(6,610)
DPI			
Accounting	20,000	7,911	12,089
District management	10,000	2,011	7,989
Legal services	10,000	2,149	7,851
Project management fee	165,000	45,766	119,234
Project management fee interest	30,000	5,261	24,739
Village 1 - Phase 2	-	2,274	(2,274)
Village 1 - Phase 1	-	29,069	(29,069)
Village 1 - Phase 3	2,700,000	621,808	2,078,192
General			
Miscellaneous/Contingency	115,000	-	115,000
TOTAL EXPENDITURES	<u>4,400,000</u>	<u>1,196,773</u>	<u>3,203,227</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,299,000)	(1,189,751)	3,109,249
OTHER FINANCING SOURCES (USES)			
Developer advances	1,126,266	1,283,667	157,401
Repay developer advance	(2,600,000)	(496,500)	2,103,500
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,473,734)</u>	<u>787,167</u>	<u>2,260,901</u>
NET CHANGE IN FUND BALANCES	(5,772,734)	(402,584)	5,370,150
FUND BALANCES - BEGINNING	<u>5,915,807</u>	<u>6,419,365</u>	<u>503,558</u>
FUND BALANCES - ENDING	<u>\$ 143,073</u>	<u>\$ 6,016,781</u>	<u>\$ 5,873,708</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
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Prairie Center Metropolitan District No. 7 (District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. The District was formed by order and decree of the District Court for Adams County on May 22, 2006. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including streets, transportation, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translator and mosquito and pest control services.

Concurrently with the formation of the District, the City approved service plans for Prairie Center Metropolitan District Nos. 3, 4, 5, 6, 8, 9 and 10.

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.

The Service Plans for District Nos. 2 – 10 limit the aggregate amount of debt that they may issue together with any debt issued by District No. 1 to \$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. 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.

The change in assessment ratio from 7.2% to 7.15% allows the District to adjust its mill levy to offset the decrease in revenues. Accordingly, the District adjusted its mill levy to 11.132 for operations and 55.664 for debt service.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

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.

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.

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.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2021 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)

- *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 \$1,700 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.

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.

Capital Outlay

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

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

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
2021 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 years ending December 31, 2020 and 2021.

					Anticipated
		Balance -			Balance -
		December 31,			December 31,
		2019	Additions	Retirements	2020
Limited Obligation					
Bonds, Series 2020	\$	-	\$ 12,225,000	\$ 400,000	\$ 11,825,000
Developer Advances:					
Operating		123,362	68,237	-	191,599
Capital		6,532,367	-	1,448,907	5,083,460
Accrued Interest					
Operating		10,644	12,331	-	22,975
Capital		671,880	431,091	1,040,298	62,673
Bond Issue Discount		-	305,625	-	(305,625)
Total	\$	7,338,253	\$ 13,042,284	\$ 2,889,205	\$ 16,880,082
		Anticipated			Anticipated
		Balance -			Balance -
		December 31,			December 31,
		2020	Additions	Retirements	2021
Limited Obligation					
Bonds, Series 2020	\$	11,825,000	\$ -	\$ 500,000	\$ 11,325,000
Developer Advances:					
Operating		191,599	72,885	-	264,484
Capital		5,083,460	1,126,266	2,300,000	3,909,726
Accrued Interest					
Operating		22,975	15,899	-	38,874
Capital		62,673	237,327	300,000	-
Bond Issue Discount		(305,625)	-	12,734	(292,891)
Total	\$	16,880,082	\$ 1,452,377	\$ 3,112,734	\$ 15,245,193

The District has no outstanding operating or capital leases.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2021 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 2021, 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.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
Property Taxes Reconciliation
2021

	Current Year							Prior Year				
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 2,708.06	\$ -	\$ 1,146.60	\$ -	\$ (40.62)	-	\$ 3,814.04	1.21%	1.21%	\$ 1,167.05	0.01%	0.01%
February	59,308.85	-	1,484.27	-	(889.63)	-	59,903.49	26.42%	27.63%	5,886.46	2.41%	2.42%
March	5,845.99	-	1,285.35	5.38	(87.77)	-	7,048.95	2.60%	30.23%	5,146.93	2.15%	4.57%
April	57,349.88	-	1,590.12	-	(860.25)	-	58,079.75	25.55%	55.78%	120,579.04	62.13%	66.70%
May								0.00%	55.78%	15,020.18	6.98%	73.68%
June								0.00%	55.78%	50,757.09	25.79%	99.46%
July								0.00%	55.78%	1,384.83	0.00%	99.46%
August								0.00%	55.78%	1,360.80	0.00%	99.46%
September								0.00%	55.78%	2,385.57	0.54%	100.00%
October								0.00%	55.78%	1,284.51	0.00%	100.00%
November								0.00%	55.78%	1,338.61	0.00%	100.00%
December								0.00%	55.78%	1,072.60	0.00%	100.00%
				-								
	\$ 125,212.78	\$ -	\$ 5,506.34	\$ 5.38	\$ (1,878.27)	\$ -	\$ 128,846.23	55.78%	55.78%	\$ 207,383.67	100.00%	100.00%

Property Taxes

	Taxes Levied	% of Levied	Property Taxes Collected
General Fund	\$ 37,411.00	16.67%	\$ 20,867.77
Debt Service Fund	187,066.00	83.33%	104,345.01
	<u>\$ 224,477.00</u>	<u>100.00%</u>	<u>\$ 125,212.78</u>

Specific Ownership Taxes

	Taxes Levied	% of Levied	Property Taxes Collected
General Fund	\$ 2,618.00	16.67%	\$ 917.68
Debt Service	62,299.00	83.33%	4,588.66
	<u>\$ 64,917.00</u>	<u>100.00%</u>	<u>\$ 5,506.34</u>

Treasurer's Fees

	Taxes Levied	% of Levied	Property Taxes Collected
General Fund	\$ (561.00)	16.67%	\$ (313.03)
Debt Service	(2,806.00)	83.33%	(1,565.24)
	<u>\$ (3,367.00)</u>	<u>100.00%</u>	<u>\$ (1,878.27)</u>

Totals	
General	21,473.32
Debt Service	107,372.91
Total	128,846.23

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
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020**

INDEPENDENT AUDITOR'S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE NET POSITION OF GOVERNMENTAL ACTIVITIES	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	5
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	6
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	7
NOTES TO BASIC FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	25
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	26
OTHER INFORMATION	
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	28

INSERT INDEPENDENT AUDITOR'S REPORT

(1)

BASIC FINANCIAL STATEMENTS

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 76,792
Cash and Investments - Restricted	8,982,539
Accounts Receivable	23,864
Prepaid Expenses	8,856
Receivable from County Treasurer	1,073
Property Taxes Receivable	224,477
Capital Assets, Not Being Depreciated:	
Construction in Progress	9,624,069
Total Assets	18,941,670
LIABILITIES	
Accounts Payable	842,517
Retainage Payable	127,174
Unearned Fees	3,047
Project Management Fee Payable	384,347
Project Management Fee Interest Payable	41,706
Accrued Interest Payable - Bonds	23,346
Noncurrent Liabilities:	
Due in More than One Year	18,091,935
Total Liabilities	19,514,072
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	224,477
Total Deferred Inflows of Resources	224,477
NET POSITION	
Restricted For:	
Emergency Reserves	7,400
Debt Service	394,265
Unrestricted	(1,198,544)
Total Net Position	\$ (796,879)

See accompanying Notes to Basic Financial Statements.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 396,320	\$ -	\$ 32,974	\$ 807,975	\$ 444,629
Interest and Related Costs on Long-Term Debt	1,535,633	-	-	-	(1,535,633)
Total Governmental Activities	\$ 1,931,953	\$ -	\$ 32,974	\$ 807,975	(1,091,004)
 GENERAL REVENUES					
					54,527
					54,527
					105,000
					215,260
					310,811
					66,300
					195,943
					14,380
					3,908
					1,759
					1,022,415
 CHANGE IN NET POSITION					
					(68,589)
					(728,290)
 NET POSITION - END OF YEAR					
					\$ (796,879)

See accompanying Notes to Basic Financial Statements.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 76,792	\$ -	\$ -	\$ 76,792
Cash and Investments - Restricted	7,400	1,208,110	7,767,029	8,982,539
Accounts Receivable	-	22,546	1,318	23,864
Prepaid Expenses	8,856	-	-	8,856
Receivable from County Treasurer	1,073	-	-	1,073
Property Taxes Receivable	37,411	187,066	-	224,477
	<u>\$ 131,532</u>	<u>\$ 1,417,722</u>	<u>\$ 7,768,347</u>	<u>\$ 9,317,601</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 46,762	\$ -	\$ 795,755	\$ 842,517
Retainage Payable	-	-	127,174	127,174
Unearned Fees	3,047	-	-	3,047
Project Management Fee Payable	-	-	384,347	384,347
Project Management Fee Interest Payable	-	-	41,706	41,706
Total Liabilities	<u>49,809</u>	<u>-</u>	<u>1,348,982</u>	<u>1,398,791</u>
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	37,411	187,066	-	224,477
Total Deferred Inflows of Resources	<u>37,411</u>	<u>187,066</u>	<u>-</u>	<u>224,477</u>
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	8,856	-	-	8,856
Restricted For:				
Emergency Reserves	7,400	-	-	7,400
Debt Service	-	1,230,656	-	1,230,656
Capital Projects	-	-	6,419,365	6,419,365
Assigned:				
Subsequent Year's Expenditures	28,056	-	-	28,056
Total Fund Balances	<u>44,312</u>	<u>1,230,656</u>	<u>6,419,365</u>	<u>7,694,333</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 131,532</u>	<u>\$ 1,417,722</u>	<u>\$ 7,768,347</u>	<u>\$ 9,317,601</u>

See accompanying Notes to Basic Financial Statements.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020**

Fund Balances - Total Governmental Funds	\$ 7,694,333
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets, Not Being Depreciated	9,624,069
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(11,825,000)
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Accrued Interest Payable - Bonds	(23,346)
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Developer Advance Payable	(6,131,150)
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Accrued Interest Payable - Developer Advances	(87,053)
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Funding Fees on Developer Advances	(48,732)
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Net Position of Governmental Activities	<u>\$ (796,879)</u>
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See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Credit Public Improvement fees from Building Permits	\$ -	\$ 54,527	\$ 73,771	\$ 128,298
Credit Public Improvement fees from Building Permits - PRI	-	-	32,311	32,311
Add-On Public Improvement fees from Building Permits	-	54,527	73,771	128,298
Facilities Fees	-	105,000	141,000	246,000
Drainage Impact Fees	-	215,260	192,360	407,620
Rebated City Fees	-	310,811	162,162	472,973
Neighborhood Park Impact Fees	-	66,300	132,600	198,900
Capital Fees	16,000	-	-	16,000
Operations Fees	16,974	-	-	16,974
Property Taxes	195,943	-	-	195,943
Specific Ownership Taxes	14,380	-	-	14,380
Net Investment Income	-	684	3,224	3,908
Other Revenue	1,759	-	-	1,759
Total Revenues	<u>245,056</u>	<u>807,109</u>	<u>811,199</u>	<u>1,863,364</u>
EXPENDITURES				
General and Operations	243,727	-	24,987	268,714
Debt Service	-	585,109	833,619	1,418,728
Capital Outlay	-	-	3,013,618	3,013,618
Total Expenditures	<u>243,727</u>	<u>585,109</u>	<u>3,872,224</u>	<u>4,701,060</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,329	222,000	(3,061,025)	(2,837,696)
OTHER FINANCING SOURCES (USES)				
Transfers (to) Other Funds	-	-	(1,008,341)	(1,008,341)
Transfers from Other Funds	-	1,008,341	-	1,008,341
Developer Advances	68,237	-	856,091	924,328
Repayment of Developer Advances	-	-	(2,489,205)	(2,489,205)
Bond Issuance	-	-	12,225,000	12,225,000
Total Other Financing Sources (Uses)	<u>68,237</u>	<u>1,008,341</u>	<u>9,583,545</u>	<u>10,660,123</u>
NET CHANGE IN FUND BALANCES	69,566	1,230,341	6,522,520	7,822,427
Fund Balances - Beginning of Year	<u>(25,254)</u>	<u>315</u>	<u>(103,155)</u>	<u>(128,094)</u>
FUND BALANCES - END OF YEAR	<u>\$ 44,312</u>	<u>\$ 1,230,656</u>	<u>\$ 6,419,365</u>	<u>\$ 7,694,333</u>

See accompanying Notes to Basic Financial Statements.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ 7,822,427

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

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

Capital Outlay 2,886,012

The issuance of long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds record the effect of premiums, discounts, and similar items when debt is first issued as expenditures, whereas these amounts are deferred and amortized in the statement of activities.

Bond Principal Payment	400,000
Bond Issuance	(12,225,000)
Developer Advances	(924,328)
Repayment of Developer Advances - Principal	1,448,907

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

Repayment of Developer Advance - Interest	1,040,298
Funding Fees on Developer Advances	(48,732)
Accrued Interest on Bonds Payable - Change in Liability	(23,346)
Accrued Interest on Developer Advances - Change in Liability	(444,827)

Change in Net Position of Governmental Activities \$ (68,589)

See accompanying Notes to Basic Financial Statements.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Capital Fees	\$ 12,000	\$ 19,030	\$ 16,000	\$ (3,030)
Operations Fees	13,500	19,780	16,974	(2,806)
Property Taxes	195,944	195,944	195,943	(1)
Specific Ownership Taxes	15,600	14,000	14,380	380
Other Revenue	-	3,000	1,759	(1,241)
Total Revenues	<u>237,044</u>	<u>251,754</u>	<u>245,056</u>	<u>(6,698)</u>
EXPENDITURES				
Accounting	35,000	60,000	52,308	7,692
Audit	4,500	3,850	3,850	-
Billing and Collection	8,000	20,000	12,446	7,554
Community Management	20,000	15,000	14,000	1,000
County Treasurer's Fees	2,939	2,939	2,939	-
Dues and Membership	500	461	461	-
District Management	25,000	20,000	15,534	4,466
Election Expense	1,000	1,780	1,780	-
Electric - District Tracts	1,200	500	-	500
Insurance	12,000	12,067	12,067	-
Irrigation Repairs - District Tracts	1,000	-	-	-
Irrigation Repairs - Park	1,000	-	-	-
Irrigation Water - District Tracts	15,000	70,000	63,807	6,193
Landscape Maintenance - District Tracts	15,000	20,000	14,593	5,407
Landscape Maintenance - Park	18,000	10,000	4,897	5,103
Legal Services	35,000	20,000	17,145	2,855
Repairs and Maintenance - District Tracts	2,400	2,500	1,912	588
Miscellaneous/Contingency	24,461	40,903	25,988	14,915
Total Expenditures	<u>222,000</u>	<u>300,000</u>	<u>243,727</u>	<u>56,273</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	15,044	(48,246)	1,329	49,575
OTHER FINANCING SOURCES (USES)				
Developer Advances	-	81,000	68,237	(12,763)
Total Other Financing Sources (Uses)	<u>-</u>	<u>81,000</u>	<u>68,237</u>	<u>(12,763)</u>
NET CHANGE IN FUND BALANCE				
	15,044	32,754	69,566	36,812
Fund Balance - Beginning of Year	<u>-</u>	<u>(25,254)</u>	<u>(25,254)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 15,044</u>	<u>\$ 7,500</u>	<u>\$ 44,312</u>	<u>\$ 36,812</u>

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 DEFINITION OF REPORTING ENTITY

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.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

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

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

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

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

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District has amended its annual budget for the year ended December 31, 2020.

Pooled Cash and Investments

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

Capital Assets

Capital assets, which include property and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress/not yet conveyed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements that will be dedicated to the other governmental entities are not depreciated. Improvements to be owned by the District are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

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

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

Operations and Capital Fees

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

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

According to the Intergovernmental Agreement Regarding Assignment of Revenues between the District and Prairie Center Metro District No. 3 (see Note 7), certain revenues are being assigned to the District, including but not limited to, the following:

Facilities Fees – The fees are \$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. Additional fees are \$1,500 per townhome/condominium, \$500 per apartment, and \$0.75 per square foot of nonresidential gross building space.

Credit and Add-On Public Improvement Fees (PIF) – The fees are 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 I Subdivision.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 \$1,700 per residential unit.

Deferred Inflows of Resources

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

Equity

Net Position

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

Fund Balance

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

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

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

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 76,792
Cash and Investments - Restricted	8,982,539
Total Cash and Investments	\$ 9,059,331

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	\$ 438,311
Investments	8,621,020
Total Cash and Investments	\$ 9,059,331

Deposits with Financial Institutions

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

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

At December 31, 2020, the District’s cash deposits had a bank balance of \$1,099,418 and a carrying balance of \$438,311.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has adopted a formal investment policy wherein the District follows state statutes regarding investments.

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

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

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

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

As of December 31, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Trust Fund (CSAFE)	Weighted Average Under 60 Days	\$ 7,808,088
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	812,932
		<u>\$ 8,621,020</u>

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24- 75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2020:

	Balance - December 31, 2019	Increases	Decreases	Balance - December 31, 2020
Capital Assets, Not Being Depreciated: Construction in Progress/ Not Yet Conveyed	<u>\$ 6,738,057</u>	<u>\$ 2,886,012</u>	<u>\$ -</u>	<u>\$ 9,624,069</u>

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2020:

	Balance - December 31, 2019	Additions	Retirements	Balance - December 31, 2020	Current Portion
Bonds Payable					
Bonds Payable - Series 2020	\$ -	\$ 12,225,000	\$ 400,000	\$ 11,825,000	\$ -
Subtotal of Bonds Payable	-	12,225,000	400,000	11,825,000	-
Other Debts					
Developer Advance - Operating	123,362	68,237	-	191,599	-
Accrued Interest on Developer Advance - Operating	10,644	12,332	-	22,976	-
Developer Advance - Capital	6,532,367	856,091	1,448,907	5,939,551	-
Accrued Interest on Developer Advance - Capital	671,880	432,495	1,040,298	64,077	-
Funding Fee Payable	-	48,732	-	48,732	-
Subtotal of Other Debts	<u>7,338,253</u>	<u>1,417,887</u>	<u>2,489,205</u>	<u>6,266,935</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 7,338,253</u>	<u>\$ 13,642,887</u>	<u>\$ 2,889,205</u>	<u>\$ 18,091,935</u>	<u>\$ -</u>

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2020 (the Bonds)

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.

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

Authorized Debt

On May 2, 2006, the District’s voters authorized total indebtedness of \$5,290,000,000 for construction of public improvements and operating and maintenance expenditures and \$750,000,000 each for debt refunding and debt related to intergovernmental agreements or other contracts with other public entities.

As a result of issuance of the Bonds, the District had \$4,527,775,000 in remaining unused electoral authorization for indebtedness for public improvements and operating and maintenance expenditures and \$750,000,000 each for debt refunding and debt related to intergovernmental agreements or other contracts with other public entities.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

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.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District’s service area.

Developer Advances

The District has entered into the Funding, Acquisition, and Reimbursement Agreement (Agreement) with the Developer (defined below) wherein the District agrees to reimburse the Developer for advances made to the District (see Note 7). During 2020, total Developer advances recorded was \$924,328.

As of December 31, 2020, outstanding advances under the Agreement totaled \$191,599 for operations and maintenance costs, and \$5,939,551 for capital costs. Accrued interest on Developer advances as of December 31, 2020, totaled \$22,976 for operations and maintenance costs, and \$64,077 for capital costs.

Funding Fee

Under the Funding, Acquisition, and Reimbursement Agreement (Agreement), at the Developer’s discretion, the District shall pay an additional funding fee on outstanding Developer advances, subject to annual appropriation. As of December 31, 2020, the outstanding Funding Fee is \$48,732.

NOTE 6 NET POSITION

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

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position at December 31, 2020, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 7,400
Debt Service	394,265
Total Restricted Net Position	\$ 401,665

The unrestricted component of the District’s net position is a deficit. This deficit amount is a result of the District being responsible for the repayment of Developer advances and bonds issued for public improvements, which will be conveyed to other governmental entities and removed from the District’s financial records.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 INTERFUND TRANSFERS

The transfer from the Capital Projects Fund to Debt Service Fund was the result of the issuance of the Bonds.

NOTE 8 AGREEMENTS

Comprehensive Agreement

The Comprehensive Funding Plan, Master Development Agreement, Pre-Annexation Agreement and Intergovernmental Agreement for Prairie Center (Comprehensive Agreement) was made and entered into, in December 2005, 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 (District No. 1) and Prairie Center Metropolitan District No. 2 (District No. 2) (collectively the Districts). The Comprehensive Agreement establishes the framework for the construction and financing of public infrastructures required by the Prairie Center Development, and sets forth the terms and provisions pertaining to the imposition, collection and application of the privately imposed Credit Public Improvement Fee (Credit PIF) and privately imposed Add-On Public Improvement Fee (Add-On PIF), and the implementation of the City Sales/Use Tax Credit. The Comprehensive Agreement categorizes the public infrastructure required by the Development and legally permitted to be funded by the Districts into: 1) Primary Public Improvements (PPI), such as major and minor arterial streets and related landscaping and trails, collector streets and related landscaping and trails, traffic signals, certain potable and non-potable water distribution lines, regional/community/neighborhood parks, trails and open spaces; 2) Parks and Recreation Public Improvements (PRI); and 3) District Public Improvements (DPI) which is comprised of all other improvements that may be provided by the Districts. The Comprehensive Agreement provides that the Districts' receipt of the 1.25% Credit PIF (for which the City grants a credit against the municipal sales and use taxes that would otherwise be payable on sales and use tax transactions) may only be used for PPI improvements. Further, the Comprehensive Agreement allows the Districts to receive a 1% Add-On PIF to finance any other public improvements or services (DPI) that the Districts are authorized by statute and its Service Plans to provide.

On November 8, 2006, an Assignment of Agreement was made between and among District No. 1, District No. 2 and District No. 3. As of the date of the assignment, District No. 1 and District No. 2 assigned to District No. 3, and District No. 3 assumed, all their rights, benefits, obligations and duties under the Comprehensive Agreement, with the exception of District No. 1's rights and obligations related to the operation of the London Mine Water Tunnel and Extension Tunnel Facility and activities related to such operation. Such rights and obligations were assigned to District No. 9 on January 1, 2008.

In July 2009, the First Amendment to the Comprehensive Agreement was executed to include certain properties to the Incorporated Property for all purposes under the Comprehensive Agreement and to increase maximum amount of PPI costs that the Districts can finance with Credit PIF Revenues (Cap Amount) from \$125,000,000 to \$146,476,240.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 8 AGREEMENTS (CONTINUED)

Comprehensive Agreement (Continued)

In February 2012, the Second Amendment to the Comprehensive Agreement (Second Amendment) was executed to modify certain terms of the Comprehensive Agreement. The Second Amendment, among other matters, redefined Shared Revenues to include Credit PIF Revenues, Shared City Fees, Shared Sales Tax Incremental Revenues (see Cooperation Agreement below), Shared General Fund Sales Taxes (see General Fund Sales Tax Sharing Agreement below), and other City or Brighton Urban Renewal Authority (BURA) revenues that the parties agree are to be shared by the City or BURA with District No. 3 to pay or reimburse Eligible Costs. The terms as to when and how the new Revenues (such as General Fund Sales Taxes) will be shared were also explained in the Second Amendment. Further, the Second Amendment restated and clarified the definitions of Eligible Costs, which is comprised of Hard Costs, Soft Costs, Interest Costs, and Financing Costs, that can be paid from Shared Revenues. With regard to the Interest Costs incurred by District No. 3 in connection with a Developer Advance and payable from Shared Revenues, the Second Amendment allows a simple rate of 5% per annum accruing from the date of such Developer Advance.

The Third Amendment to the Comprehensive Agreement (Third Amendment) was entered into as of June 16, 2015. The Third Amendment reduced the principal amount of the 1.25% Credit PIF to be applied to PRI Improvements from \$14 million to \$9 million and requires that \$2.5 million of such revenues be paid to the City for design and/or construction of the second phase of an adult recreation center and relieved District No. 3 of its obligations under the original Cooperation Agreement related to the initial phase of the adult recreation center. The Third Amendment also provides for the City to rebate portions of certain City bridge/crossing and traffic impact fees paid with respect to development of the phase of residential single-family dwelling units known as Prairie Center Residential Village One (Village I) in the total amount of \$2.5 million, which rebated fees shall be applied to specified street improvements and shall count against the Cap Amount. The rebated use tax and rebated building permit fees (or any other rebated fees approved by Council) do not need to be applied to eligible costs related to primary public improvements and do not count against the Cap Amount. Pursuant to the Intergovernmental Agreement (IGA) entered into between the District and District No. 3, the fees as described above that are related to Village I will be collected by or transferred to the District.

Intergovernmental Agreement Regarding Facilities Fee Collection

On November 13, 2007, the District entered into the Intergovernmental Agreement Regarding Facilities Fee Collection with District Nos. 2-6 and 8-10; agreeing to let District No. 3 administer and collect facilities fees imposed by District Nos. 2-6 and 8-10; provided, however, that the revenue derived from facilities fees of a specific District shall remain the property and subject to the control of such District's Board of Directors. The agreement was amended on September 4, 2019 to remove District No. 9 as a party, due to that District's dissolution. Pursuant to the Intergovernmental Agreement Regarding Assignment of Revenues between the District and District No. 3 (described below), the District is entitled to receive certain assigned revenues, including facilities fees collected from Prairie Center Village I Subdivision No. 1.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 8 AGREEMENTS (CONTINUED)

Funding, Acquisition, and Reimbursement Agreement

On October 1, 2017, the District entered into the Funding, Acquisition and Reimbursement Agreement (the FARA) with GKT Brighton Residential Development, L.L.C (the Developer) establishing certain expectations as to the financing, construction, and reimbursement on improvements located within Village I. The Agreement was amended on July 22, 2020. Pursuant to the FARA, the Developer agrees to advance funds to the District to pay for capital and operational expenses when the District's revenues are not sufficient to pay for such expenses. The District will pay the Developer interest compounding semi-annually, from the date of each Developer advance, at the rate of 3% per annum above the rate announced by Bank of America, N.A., St. Louis, Missouri. In addition, at the Developer's discretion, the District shall pay an additional funding fee of 1% on amounts outstanding 24 months from the funding date, said fee being charged once every 24 months while the amounts remain outstanding. The District's payment of Developer advances under this agreement is subject to annual appropriation.

Intergovernmental Agreement Regarding Assignment of Revenues (IGA)

On May 23, 2019, the District and District No. 3 entered into an Intergovernmental Agreement Regarding Assignment of Revenues (the IGA). On July 22, 2020 the District amended and restated the IGA, with an effective date of December 19, 2017. 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 Village 1 Subdivision Filing No. 1 Development Agreement

On December 19, 2017, the District, the City of Brighton, and the Developer entered into the Prairie Center Village 1 Subdivision Filing No. 1 Development Agreement (Development Agreement). The agreement was amended on December 17, 2019. In connection with the approval of the final plat for Prairie Center Village I Subdivision Filing No. 1 the City, District, and Developer entered into the Development Agreement to memorialize their agreement regarding their respective obligations relating to the construction of certain public improvements for the Development. In the Development Agreement, the City acknowledged that the obligation to construct the Public Improvements is assigned to the District (provided that the District is not obligated to construct improvements that are not permitted by its Service Plan), and that such obligation is the joint and several obligation of the Developer and the District. The Development Agreement also acknowledges that the District has provided or will provide an improvement guarantee required by the Development Agreement.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 8 AGREEMENTS (CONTINUED)

Prairie Center Village 1 Subdivision Filing No. 1 Development Agreement (Continued)

The Development Agreement also provides the following: (1) the development of the Property is subject to the terms and conditions of the Comprehensive Agreement; (2) no residential building permits are to be issued prior to the preliminary acceptance of Public Improvements with respect to the applicable phase of development (“Phase”), and no certificates of occupancy are to be issued prior to preliminary acceptance of such Public Improvements (excepting the final asphalt lift for streets within the Phase); (3) Developer or the District is required to maintain, repair and replace the Public Improvements for a one-year period from the date of preliminary acceptance of any improvement; (4) the City is required to impose and collect a “neighborhood park impact fee” pursuant to the City’s applicable fee resolution, and that such fees are to be used to pay for or reimburse the expenses incurred by the District in connection with construction of Golden Eagle Park; (5) the District will install an underdrain system within the Development to serve the residential lots therein; (6) the District is responsible for the extension of the non-potable water system improvements into the Development; (7) the City agrees to provide water and water taps to adequately serve the Development, subject to the applicable provisions of the Comprehensive Agreement, including provisions relating to the payment of certain water fees by the Developer or the applicable building permit applicant; (8) the City agrees to provide sanitary sewer collection and treatment services for the Development, subject to the provisions of the Comprehensive Agreement; (9) the District or the Developer is required to purchase water taps for all community landscape areas in the Development; (10) the District is required to complete all landscaping for such areas for the applicable Phase prior to issuance of any certificates of occupancy within such Phase; and (11) in the event of a breach, the City may exercise certain remedies available to it under the Development Agreement and applicable law including, withholding of any additional infrastructure permits, building permits, certificates of occupancy, or provision of new utilities fixtures or services.

NOTE 9 RELATED PARTY

The developer of the property which constitutes the District is GKT Brighton Residential Development, L.L.C., a Colorado limited liability company, (Developer). All members of the Board of Directors are officers or employees of an entity affiliated with the Developer or the majority owner of the Developer and may have conflicts of interest in dealing with the District.

NOTE 10 RISK MANAGEMENT

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

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

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10 RISK MANAGEMENT (CONTINUED)

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

NOTE 11 TAX, SPENDING AND DEBT LIMITATIONS

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or benefit increases. As of December 31, 2019, the District had provided but did not fund an Emergency Reserve, which may be in violation of the Constitutional Amendment.

On May 2, 2006, a majority of the District's electors authorized the District to increase property taxes \$10,000,000 annually, without limitation to rate, to pay the District's operations and maintenance costs. Additionally, the District's voters authorized the District to collect, retain and spend all revenue in excess of TABOR spending, revenue raising or other limitations.

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

SUPPLEMENTARY INFORMATION

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Credit Public Improvement fees from Building Permits	\$ -	\$ 60,000	\$ 54,527	\$ (5,473)
Add-On Public Improvement fees from Building Permits	-	60,000	54,527	(5,473)
Drainage Impact Fees	-	215,260	215,260	-
Rebated City Fees	-	310,811	310,811	-
Facilities Fees	-	105,000	105,000	-
Neighborhood Park Impact Fees	-	66,300	66,300	-
Net Investment Income	-	1,000	684	(316)
Total Revenues	-	818,371	807,109	(11,262)
EXPENDITURES				
Bond Interest	-	185,109	185,109	-
Bond Principal	-	400,000	400,000	-
Miscellaneous/Contingency	315	14,891	-	14,891
Total Expenditures	315	600,000	585,109	14,891
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	(315)	218,371	222,000	3,629
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	1,008,341	1,008,341	-
Total Other Financing Sources (Uses)	-	1,008,341	1,008,341	-
NET CHANGE IN FUND BALANCE				
	(315)	1,226,712	1,230,341	3,629
Fund Balance - Beginning of Year	315	315	315	-
FUND BALANCE - END OF YEAR				
	\$ -	\$ 1,227,027	\$ 1,230,656	\$ 3,629

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Credit Public Improvement fees from Building Permits	\$ 108,000	\$ 75,000	\$ 73,771	\$ (1,229)
Credit Public Improvement fees from Building Permits - PRI	-	30,000	32,311	2,311
Add-On Public Improvement fees from Building Permits	87,000	75,000	73,771	(1,229)
Drainage Impact Fees	275,000	192,360	192,360	-
Rebated City Fees	202,000	162,162	162,162	-
Facilities Fees	180,000	141,000	141,000	-
Neighborhood Park impact fees	-	132,360	132,600	240
Net Investment Income	-	4,000	3,224	(776)
Total Revenues	<u>852,000</u>	<u>811,882</u>	<u>811,199</u>	<u>(683)</u>
EXPENDITURES				
PPI				
Village 1 - Phase 1	-	10,000	3,983	6,017
Village 1 - Phase 2	-	360,000	334,318	25,682
Village 1 - Phase 3	-	240,000	229,717	10,283
DPI				
Accounting	-	15,000	15,343	(343)
District Management	-	5,000	3,784	1,216
Legal Services	-	5,000	5,860	(860)
Miscellaneous/Contingency	827,000	8,835	-	8,835
Project Management Fee	-	120,000	111,134	8,866
Project Management Fee - Interest	25,000	25,000	16,472	8,528
Village 1 - Phase 1	-	80,000	77,101	2,899
Village 1 - Phase 2	-	1,500,000	1,379,106	120,894
Village 1 - Phase 3	-	1,000,000	861,787	138,213
General				
Bond Issue Costs	-	833,619	833,619	-
Total Expenditures	<u>852,000</u>	<u>4,202,454</u>	<u>3,872,224</u>	<u>330,230</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,390,572)	(3,061,025)	329,547
OTHER FINANCING SOURCES (USES)				
Transfers (to) Other Funds	-	(1,008,341)	(1,008,341)	-
Developer Advances	-	856,091	856,091	-
Repayment of Developer Advances	-	(2,489,205)	(2,489,205)	-
Bond Issuance	-	12,225,000	12,225,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>9,583,545</u>	<u>9,583,545</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	6,192,973	6,522,520	329,547
Fund Balance - Beginning of Year	-	(103,155)	(103,155)	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 6,089,818</u>	<u>\$ 6,419,365</u>	<u>\$ 329,547</u>

OTHER INFORMATION

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2018	\$ 20	55.277	-	\$ 1	\$ -	- %
2019	6,820	55.277	-	377	377	100.00
2020	2,933,470	66.796	-	195,944	195,943	100.00
Estimated for the Year Ending December 31, 2021	\$ 3,360,630	11.132	55.664	\$ 224,477		

Creig Veldhuizen

Managing Director
Public Finance

May 24, 2021

Mr. Mike Tamblyn
Board President
Prairie Center Metropolitan District No. 7
c/o Mcgeady Becher P.C.
450 E. 17th Streets, Ste 450
Denver, CO 80203-1254

Mr. Tamblyn:

On behalf of Hilltop Securities Inc. (“Hilltop Securities”), we appreciate the opportunity to serve as Municipal Advisor to the Prairie Center Metropolitan District No. 7 (the “Issuer”). This letter will confirm the basic terms of our engagement and is dated, and shall be effective as of, the date executed by the Issuer as set forth on the signature page hereof (the “Effective Date”).

Hilltop Securities will serve as Municipal Advisor to the Issuer in connection with its proposed issuance of Series 2021 Subordinate bonds in the approximate amount of \$15,000,000.00 (“Bonds”), to be placed with the Kroenke Group and/or affiliates thereof (“Developer”) in a private placement (“Transaction”). In this capacity, and based on our professional experience and the information made available to us by the Issuer, Hilltop Securities agrees to perform the following services:

Financial Planning. At the direction of Issuer, Hilltop Securities shall:

1. Survey and Analysis. Conduct a survey of the financial resources of the Issuer to determine the extent of its capacity to authorize, issue and service any evidences of indebtedness or debt obligation that may be authorized and issued or otherwise created or assumed by the Issuer (collectively the “Debt Instruments”). This survey will include the creation and maintenance of a financial model that will project mill levy and other revenue for the Issuer to be used as an input to size and structure the Transaction.
2. Existing Debt Obligations. Consider and analyze all outstanding debt obligations of the Issuer and how those obligations impact the Transaction.
3. Recommendations for Debt Instruments. On the basis of the information developed by the survey described above, and other information provided by the Issuer or publicly available, submit to the Issuer recommendations regarding the Transaction under consideration, including elements such as the date of issue, interest payment dates, schedule of principal maturities, options of prior payment, security provisions, and such other provisions as may be appropriate relative to the Transaction contemplated herein.
4. Market Information. Advise the Issuer of our interpretation of current bond market conditions, and other matters that may have an impact on the Transaction structure and/or pricing.

Debt Management and Financial Implementation. At the direction of Issuer, HilltopSecurities shall:

1. Offering Documents. Coordinate with Issuer, Bond Counsel, and District Counsel to prepare all required legal documents including, but not limited to a bond ordinance, trust indenture, resolution and loan agreement, if needed, and any other documents as may be required and submit all such documents to the Issuer for examination, approval and certification. If the Debt Instruments will be publicly offered securities, coordinate with Disclosure Counsel to review the Official Statement or Offering Memorandum, however, Hilltop Securities has not assumed responsibility for preparing or certifying the accuracy or completeness of any preliminary or final official statement or Offering Memorandum other than with respect to written information about Hilltop Securities as the municipal advisor with such language provided by Hilltop Securities for inclusion in such documents. After approval and certification by the Issuer, Hilltop Securities shall provide the Issuer with a supply of all such documents sufficient to its needs and distribute by mail or, where appropriate, by electronic delivery, sets of the same to all parties as needed per the method of sale.
2. Trustee, Paying Agent, Registrar. Upon request, counsel with the Issuer in the selection of a Trustee and/or Paying Agent/Registrar for the Debt Instruments and assist in the negotiation of agreements pertinent to these services and the fees incident thereto.
3. Consultants. After consulting with and receiving directions from the Issuer, arrange for such reports and opinions of recognized independent consultants as may be appropriate for the successful marketing of the Debt Instruments.
4. Issuer Meetings. Attend meetings of the governing body of the Issuer, its staff, representatives or committees as requested at all times when Hilltop Securities may be of assistance or service and the subject of financing is to be discussed.
5. Printing. To the extent authorized by the Issuer, coordinate all work incident to printing of the offering documents and the Debt Instruments.
6. Issuer Counsel. Maintain liaison with Issuer, General Counsel, Bond Counsel, and Disclosure Counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the Debt Instruments.
7. Changes in Laws. Provide to the Issuer copies of proposed or enacted changes in federal and state laws, rules and regulations having, or expected to have, a significant effect on the municipal bond market of which Hilltop Securities becomes aware in the ordinary course of its business, it being understood that Hilltop Securities does not and may not act as an attorney for, or provide legal advice or services to, the Issuer.
8. Market Certification: At the request of the Issuer, provide a market rate reasonableness opinion and certificate including relevant data on comparable issues recently being sold either nationally or within Colorado by comparable issuers.
9. Delivery of Debt Instruments. As soon as a bid for the Debt Instruments is accepted by the Issuer, coordinate the efforts of all concerned to the end that the Debt Instruments may be delivered and paid for as expeditiously as possible and assist the Issuer in the preparation or verification of final closing figures incident to the delivery of the Debt Instruments.

10. Debt Service Schedule; Authorizing Resolution. After the closing of the sale and delivery of the Debt Instruments, deliver to the Issuer a schedule of annual debt service requirements for the Debt Instruments and, if requested, provide the paying agent/registrars and/or trustee with a copy of the authorizing ordinance, order or resolution.

Term of this Engagement. The term of this Agreement begins on the Effective Date and ends, unless terminated pursuant to the language below, on the last day of the month in which the first anniversary date of the Effective Date shall occur (the "Termination Date").

This Agreement may be terminated with or without cause by the Issuer or Hilltop Securities upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. In the event of such termination, it is understood and agreed that the amount due Hilltop Securities for services provided shall be equal to the Transaction Fee specified in Appendix A herein multiplied by the number of months elapsed since the effective date of the agreement through the end of the month of termination divided by the total months elapsed since the effective date through the closing date of the transaction. The Transaction Fees and expenses incurred to the date of termination will be due and payable upon a successful issuance and closing. There will be no additional penalty assessed for termination of this Agreement.

In consideration of providing the requested services, Hilltop Securities shall receive fees as outline in Appendix A. In any event regardless of the cause of action, Hilltop Securities' total liability (including loss and expense) to the Issuer in the aggregate shall not exceed the gross amount of fees received by Hilltop Securities pursuant to this letter agreement. The limitations of liability set forth in this letter agreement are fundamental elements of the basis of the bargain between Hilltop Securities and the Issuer, and the pricing of the services set forth above reflect such limitations. This letter agreement shall be constrained and given effect on accord with the laws of the State of Colorado.

Hilltop Securities is separately providing its Municipal Advisor Disclosure Statement (the "Disclosure Statement"), current as of the date of this Agreement, setting forth disclosures by Hilltop Securities of material conflicts of interest, if any, and of any legal or disciplinary events required to be disclosed pursuant to Municipal Securities Rulemaking Board Rule G-42. The Disclosure Statement also describes how Hilltop Securities addresses or intends to manage or mitigate any disclosed conflicts of interest, as well as the specific type of information regarding, and the date of the last material change, if any, to the legal and disciplinary events required to be disclosed on Forms MA and MA-I filed by Hilltop Securities with the Securities and Exchange Commission.

We look forward to working with you during this engagement. Please acknowledge acceptance of these terms by signing in the space provided below and returning two copies to me.

Sincerely,



Creig Veldhuizen
Managing Director

Prairie Center Metropolitan District No. 7:

By: Mr. [Signature]

Name: Michael Tamblin

Title: President

Date: 5/24/21

APPENDIX A

COMPENSATION

This Appendix A sets out the form and basis of compensation to Hilltop Securities for the Municipal Advisory Services provided under this Agreement; provided that the compensation arrangements set forth in this Appendix A shall also apply to any additional services hereafter added to the scope of the Municipal Advisory Services, unless otherwise provided in the amendment to the Agreement relating to such change in scope of Municipal Advisory Services.

Transaction Fee

All fees for the Transaction are payable on a contingent basis payable only upon a successful issuance and closing of the Bonds. For the private placement of the Bonds, Hilltop Securities will be paid a fee the greater of 20 bps (.20%) of par value of debt issued or \$25,000.

The Issuer shall be responsible for the following expenses in connection with the Municipal Advisory Services (including any additional services hereafter added to the scope of the Municipal Advisory Services), if and when applicable, whether they are charged to the Issuer directly as expenses or charged to the Issuer by Hilltop Securities as reimbursable expenses: bond counsel fees and expenses, bond printing costs, bond ratings fees and expenses, computer structuring costs, credit enhancement fees and expenses, accountant fees for verifications and related activities in connection with refunding's, official statement preparation and printing, paying agent/registrar/trustee fees and expenses, travel expenses, underwriter and underwriter's counsel fees and expenses, and other miscellaneous expenses incurred by Hilltop Securities in the furtherance of any matter for which it serves as municipal advisor.

Hilltop Securities would request reimbursement of out of pocket travel expenses related to work with the Issuer. While we do not anticipate incurring any out of pocket expenses on behalf of the Issuer we will request prior authorization from Issuer for any expenses deemed necessary as part of the transaction that exceeds \$1,000.00. The payment of reimbursable expenses that Hilltop Securities has assumed on behalf of the Issuer shall NOT be contingent upon the delivery of a new issuance of municipal securities or the completion of any other transactions for which such expenses have been assumed and shall be due at the time that services are rendered and payable upon receipt of an invoice therefor submitted by Hilltop Securities, unless otherwise provided for in any amendment or addendum hereto in connection with the compensation arrangements for any services provided under the Agreement for which such amendment or addendum is required.

REQUIRED G-42 DISCLOSURES

Disclosure of Conflicts of Interest and Information Regarding Legal or Disciplinary Events. The Issuer hereby acknowledges receipt of, and has read and understands the content of, the Municipal Advisor Disclosure Statement, attached hereto as **Appendix C**, current as of the date of this Agreement, setting forth disclosures by HilltopSecurities of material conflicts of interest (the “Conflict Disclosures”), if any, and of any legal or disciplinary events required to be disclosed pursuant to MSRB Rule G-42(b) and (c)(ii). The Conflict Disclosures also describe how HilltopSecurities addresses or intends to manage or mitigate any disclosed conflicts of interest, as well as the specific type of information regarding, and the date of the last material change, if any, to the legal and disciplinary events required to be disclosed on Forms MA and MA-I filed by HilltopSecurities with the SEC.

APPENDIX C MUNICIPAL ADVISOR DISCLOSURE STATEMENT

This disclosure statement (“Conflict Disclosures”) is provided by **Hilltop Securities Inc.** (“the Firm”) to you (the “Client”) in connection with our current municipal advisory agreement, (“the Agreement”). These Conflict Disclosures provide information regarding conflicts of interest and legal or disciplinary events of the Firm that are required to be disclosed to the Client pursuant to MSRB Rule G-42(b) and (c)(ii).

PART A – Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

Material Conflicts of Interest – The Firm makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under the Agreement with the Firm, together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

General Mitigations – As general mitigations of the Firm’s conflicts, with respect to all of the conflicts disclosed below, the Firm mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates the Firm to deal honestly and with the utmost good faith with Client and to act in Client’s best interests without regard to the Firm’s financial or other interests. In addition, because the Firm is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of the Firm is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, the Firm’s municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of the Firm potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

I. Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm’s advisory activities within the Scope of Services outlined in the Agreement. Hilltop Securities Asset Management (HSAM), a SEC-registered affiliate of the Firm, provides post issuance services including arbitrage rebate and treasury management. The Firm’s arbitrage team verifies rebate and yield restrictions on the investments of bond proceeds on behalf of clients in order to meet IRS restrictions. The treasury management division performs portfolio management/advisor services on behalf of public sector clients. The Firm, through affiliate

Hilltop Securities Asset Management (HSAM), provides a multi-employer trust tailor-made for public entities which allows them to prefund Other Post-Employment Benefit liabilities. The Firm has a structured products desk that provides advice to help clients mitigate risk through investment management, debt management and commodity price risk management products. These products consist of but are not limited to swaps (interest rate, currency, commodity), options, repos, escrow structuring and other securities. Continuing Disclosure services provided by the Firm work with issuers to assist them in meeting disclosure requirements set forth in SEC rule 15c2-12. Services include but are not limited to ongoing maintenance of issuer compliance, automatic tracking of issuer's annual filings and public notification of material events. The Firm administers government investment pools. These programs offer governmental entities investment options for their cash management programs based on the entities specific needs. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

II. PlainsCapital Bank Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm's advisory activities within the Scope of Services outlined in the Agreement. Affiliate, PlainsCapital Bank, provides banking services to municipalities including loans and custody. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

III. Other Municipal Advisor or Underwriting Relationships. The Firm serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, the Firm serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to Client. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, the Firm could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of the Firm to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that the Firm serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair the Firm's ability to fulfill its regulatory duties to Client.

IV. Secondary Market Transactions in Client's Securities. The Firm, in connection with its sales and trading activities, may take a principal position in securities, including securities of Client, and therefore the Firm could have interests in conflict with those of Client with respect to the value of Client's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, the Firm or its affiliates may submit orders for and acquire Client's securities issued in an Issue under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with Client in that it could create the incentive for the Firm to make recommendations to Client that

could result in more advantageous pricing of Client's bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by the Firm to Client under this Agreement.

V. Broker-Dealer and Investment Advisory Business. The Firm is dually registered as a broker-dealer and an investment advisor that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of Client, may be undertaken on behalf of, or as counterparty to, Client, personnel of Client, and current or potential investors in the securities of Client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of Client, such as when their buying or selling of Client's securities may have an adverse effect on the market for Client's securities, and the interests of such other clients could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from the firm effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by the Firm to Client.

VI. Compensation-Based Conflicts. Fees that are based on the size of the issue are contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for the Firm to recommend unnecessary financings or financings that are disadvantageous to Client, or to advise Client to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

Fees based on a fixed amount are usually based upon an analysis by Client and the Firm of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by the Firm. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Firm may suffer a loss. Thus, the Firm may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Hourly fees are calculated with, the aggregate amount equaling the number of hours worked by Firm personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if Client and the Firm do not agree on a reasonable maximum amount at the outset of the engagement, because the Firm does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

PART B – Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, the Firm sets out below required disclosures and related information in connection with such disclosures.

I. Material Legal or Disciplinary Event. The Firm discloses the following legal or disciplinary events that may be material to Client's evaluation of the Firm or the integrity of the Firm's management or advisory personnel:

- For related disciplinary actions please refer to the Firm's [BrokerCheck](#) webpage.
- The Firm self-reported violations of SEC Rule 15c2-12: Continuing Disclosure. The Firm settled with the SEC on February 2, 2016. The firm agreed to retain independent consultant and adopt the consultant's finding. Firm paid a fine of \$360,000.
- The Firm settled with the SEC in matters related to violations of MSRB Rules G-23(c), G-17 and SEC rule 15B(c) (1). The Firm disgorged fees of \$120,000 received as financial advisor on the deal, paid prejudgment interest of \$22,400.00 and a penalty of \$50,000.00.
- The Firm entered into a Settlement Agreement with Rhode Island Commerce Corporation. Under the Settlement Agreement, the firm agreed to pay \$16.0 million to settle any and all claims in connection with The Rhode Island Economic Development Corporation Job Creation Guaranty Program Taxable Revenue Bond (38 Studios, LLC Project) Series 2010, including the litigation thereto. The case, filed in 2012, arose out of a failed loan by Rhode Island Economic Development Corporation. The firm's predecessor company, First Southwest Company, LLC, was one of 14 defendants. HilltopSecurities' engagement was limited to advising on the structure, terms, and rating of the underlying bonds. Hilltop settled with no admission of liability or wrongdoing.
- On April 30, 2019, the Firm entered into a Settlement Agreement with Berkeley County School District of Berkeley County, South Carolina. The case, filed in March of 2019, arose in connection with certain bond transactions occurring from 2012 to 2014, for which former employees of Southwest Securities, Inc., a predecessor company, provided financial advisory services. The Firm agreed to disgorge all financial advisory fees related to such bond transactions, which amounted to \$822,966.47, to settle any and all claims, including litigation thereto. Under the Settlement Agreement, the Firm was dismissed from the lawsuit with prejudice, no additional penalty, and with no admission of liability or wrongdoing.
- From July 2011 to October 2015, Hilltop failed to submit required MSRB Rule G-32 information to EMMA in connection with 122 primary offerings of municipal securities for which the Firm served as placement agent. During the period January 2012 to September 2015, the Firm failed to provide MSRB Rule G-17 letters to issuers in connection with 119 of the 122 offerings referenced above. From October 2014 to September 2015, the Firm failed to report on Form MSRB G-37 that it had engaged in municipal securities business as placement agent for 45 of these 122 offerings. This failure was a result of a misunderstanding by one branch office of Southwest Securities. Hilltop discovered these failures during the merger of FirstSouthwest and Southwest Securities and voluntarily reported them to FINRA. The Firm paid a fine of \$100,000 for these self-reported violations.

II. How to Access Form MA and Form MA-I Filings. The Firm's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at [Forms MA and MA-I](#). The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by the Firms in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by the Firm on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org/>, and the Firm's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov/>. For purposes of accessing such BrokerCheck reports or Form ADV, click previous hyperlinks.

PART C – MSRB Rule G-10 Disclosure

MSRB Rule G-10 covers Investor and Municipal Advisory Client education and protection. This rule requires that municipal advisors make certain disclosures to all municipal advisory clients. This communication is a disclosure only and does not require any action on your part. The disclosures are noted below.

1. Hilltop Securities Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor.
2. You can access the website for the Municipal Securities Rulemaking Board at www.msrb.org
3. The Municipal Securities Rulemaking Board has posted a municipal advisory client brochure. A copy of the brochure is attached to the memo. This link will take to you to the electronic version [MA Client Brochure](#)

PART D – Future Supplemental Disclosures

As required by MSRB Rule G-42, this Municipal Advisor Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of the Firm. The Firm will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

**PROPOSAL FOR PROFESSIONAL SERVICES
LETTER OF INTENT TO PURCHASE**

To: Mike Tamblyn
Prairie Center Metropolitan District #7
Ph: (303) 378-4166
Em: mtamblyn@thekroenkegroup.com

Date: May 4, 2021
Project: Prairie Center Village – Phase IV
Project Number: 556,666
Location:

Contech Engineered Solutions, LLC (CES) is pleased to provide the following professional services proposal for a Continental Pedestrian Connector Truss Bridge for the above referenced project. This proposal, if accepted by Prairie Center Metropolitan District #7 within thirty (30 days) from the date hereof, shall constitute a binding contract. Contech is prepared to start on this request upon receipt of the signed proposal.

DESCRIPTION OF BRIDGE:

The total cost for the Prairie Center Village – Phase IV Continental Pedestrian Connector Truss Bridge is estimated to be approximately **\$39,400**.

- Style: Connector Truss Bridge
- Length: 30'-0" (End to End)
- Width: 10'-0" (Width between Trusses)
- Finish: Unpainted Self-Weathering Steel
- Decking: 2"x8" (nom) IPE Ironwood
- Life Safety System: Horizontal Safety Rails @ 4" Spacing up to 54"
- Rub Rail/Handrail: IPE Rub Rail
- Toe Plate: Steel Channel
- Camber: Dead Load plus 1%
- Elevation Change: None
- Skew: None
- Design/Loading: AASHTO LRFD (Live load: 90 psf; Vehicle Load: H5 (10,000 lbs GVW); Wind Load: Based on Wind Velocity of 115 mph)
- Preliminary Shipping Configuration: Bridge to be shipped in one (1) piece, fully assembled

This material estimate is preliminary and may change upon further refinement of the design and review of the project. Pricing is based on material costs as of May 4, 2021. Fluctuations in material cost of plus or minus 2% between the time of signing of this contract and provided material purchase agreement will necessitate new pricing.

A separate contract with Terms and Conditions for the purchase of the Continental Pedestrian Connector Truss Bridge will be provided upon completion of final design.

DESCRIPTION OF PROFESSIONAL SERVICES:

CES proposes to provide Prairie Center Metropolitan District #7 the following professional services:

- Bridge:
 - CES shall provide shop drawings and calculations for the Continental Pedestrian Connector Truss Bridge described above in accordance with the drawings and information provided.
- Drawing Submittal will be signed and sealed by a Professional Engineer registered in the State of Colorado:
 - Drawings show the full member size for any of the structural steel
 - Drawings show the weld sizes (weld symbols will be shown but size of weld will not be given)
 - Drawings contain all General Notes pertaining to the bridge
 - Drawings contain full anchor bolt layout and bridge reactions to allow the foundation design to proceed
- Calculations will be prepared by CES and submitted at this time.

Bridge Design Fee: \$5,900

Please note that a site plan including proposed grades, roadway alignment, bridge location, profile sections, utility locations, utility descriptions and loading, and final geotechnical report specific to the above reference project is necessary prior to the start of design (refer to required engineering parameters and exclusions below). Future changes to the project plan set that directly impact this design should be provided when available.

It is anticipated that design will commence upon acceptance of this proposal and receipt of the project information listed above. Submittal Drawings and Calculations will be provided 4-5 weeks from acceptance of this proposal and receipt of necessary design documents. If the drawings are subject to revisions, it is expected that each resubmittal take 1-2 weeks to complete, depending on the scope of comments additional time may be required. Revisions required due to errors on CES plans or omissions from CES plans will be completed under this scope of services. Any further revisions or changes to the scope of services described will be subject to additional fees on a time and materials basis.

Construction Services (including but not limited to RFI responses, Rebar Shop Drawing review, etc) are not included with this proposal. If required, this will be invoiced on a time and materials basis upon delivery of the bridge.

EXCLUDED ITEMS:

CONTECH will not or does not include the cost for:

1. Geotechnical Services and Report
2. Foundation Design
3. Roadway and Civil Engineering
4. Hydraulic Engineering
5. All construction surveying, including field measurement and verification of abutments and anchor bolt placement.
6. Excavation and construction of bridge foundations and piers.
7. Any costs associated with testing by an independent agency.
8. Sales Tax
9. Contech Conditions of Sale apply, See attached.

The professional services ("Services"), including, without limitation, any and all advice, representations, drawings, designs, calculations and deliverables, provided under this contract are considered instruments of service applicable only to a Contech Bridge System for the project referenced above. Contech owns all right, title, and interest in and to the drawings, designs, calculations and deliverables and all intellectual property rights in connection therewith, and the Services are provided for the express purpose of gaining approval of the use of these Contech products from the permitting agencies/owners and in the interest of Contech ultimately supplying the bridge(s). Contech will grant a limited, non-exclusive license to copy and/or implement such drawings, designs, calculations and deliverables only upon the purchase of the Contech Bridge System structure in connection with this project. Use of the Services with any other structure, manufacturer or project is strictly prohibited and voids any and all representations and warranties, express or implied, related to the Services. Contech expressly disclaims any and all liability related to use of the Services with any other structure, manufacturer or project. To the fullest extent permitted by applicable law, Client agrees to indemnify, defend and hold harmless Contech along with its respective officers, directors, owners, employees and agents from and against all claims, damages, losses, causes of action, suits, judgments and expenses (including but not limited to reasonable attorney's fees) of any person or entity, to the extent arising out of Client's use of the Services with any other structure, manufacturer or project. The attached standard Terms and Conditions are incorporated herein by reference apply if the structure is not provided.

It is understood that CES will be the Bridge Manufacturer chosen to fabricate and deliver this bridge. The Structural Design Services provided under this contract are proprietary and cannot be used by other fabricators or bridge manufacturers. If CES does not receive a Purchase Order for fabrication and delivery of this bridge, then all design submittals must be immediately returned to CES. CES will not be the Superstructure Engineer of Record (EOR) for any structure not built by CES. The attached standard Terms and Conditions are incorporated herein by reference.

The Professional Services described are to be included in the price of the quoted structure(s), if purchased. Should CES not receive a contract for purchase of this or an equivalent CES product within six (6) months from the acceptance date of this proposal or within 30 days of final submittal approval, whichever is sooner, then Prairie Center Metropolitan District #7 is responsible for payment of the professional design fee totaling \$ 5,900.

CES shall require an initial payment of \$1,900 upon acceptance of this agreement. Initial payment shall be invoiced upon submittal of required design documents. Remaining balance will be invoiced, if necessary, per the terms above. Upon order of CES product(s), the \$1,900 Bridge Design initial payment and any additional payments, up to \$5,900, shall be deducted from the total cost of structure.

We appreciate the opportunity to serve you, and look forward to a successful project.

ACCEPTED this ____ day of _____,
20____, subject to all terms and conditions contained
herein.

Buyer: _____

By: _____
(Signature)

Print Name: _____

Title: _____

BUYER'S PO No. _____

Respectfully submitted.

Daniel Niederberger
Truss Consultant

**Submittal Delivery date extension due to missing information or unforeseen changes will be mutually agreed to.*

Enclosed: Terms & Conditions

CONTECH'S STANDARD TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES

All professional services, including without limitation, engineering, design services, detailed drawings, training, consulting and analysis, provided by Contech (collectively, the "Services") are subject to the following terms and conditions ("Agreement"). CLIENT'S RIGHT TO ACCEPT THIS OFFER IS LIMITED TO CLIENT'S ASSENT TO THE TERMS AND CONDITIONS PRINTED HEREON AND THE ATTACHED OR ACCOMPANYING AGREEMENT, AND NO TERMS ADDITIONAL TO OR DIFFERENT FROM THOSE IN THIS OFFER ARE BINDING ON CONTECH. THERE ARE NO UNDERSTANDINGS, TERMS, CONDITIONS OR WARRANTIES NOT FULLY EXPRESSED HEREIN. Contech objects to any additional or different terms contained in any documentation submitted by Client.

1. **SCOPE.** The scope of work for the Services to be provided to Client is specifically set forth in Contech's proposal or quote (collectively, "Quote"). If Client requests a change in the scope of the Services to be provided, Contech reserves the right to revise schedules and price. Contech will not be obligated to provide any services which are (a) outside of the scope defined in the applicable documentation; (b) outside its area of expertise; or (c) in violation of any applicable laws, codes or regulations.

2. **CLIENT OBLIGATIONS.** Client shall make available in a timely manner at no charge to Contech all drawings, technical data, measurements, or other information and resources reasonably required by Contech for the performance of the Services. Client will be responsible for, and assumes the risk of any problems resulting from, the content, accuracy, completeness and consistency of all such data, materials and information supplied by Client.

3. **TAXES AND PAYMENT TERMS.** Unless otherwise stated in the Quote, Contech's price for Services does not include applicable sales, use, or similar taxes, and standard payment terms are net 30 days for creditworthy Clients. A late charge of 1-½% monthly (18% annual rate) or the maximum allowed by state law, if less, will be imposed on all past due accounts, and Client shall be liable to Contech for all costs of collection, including without limitation reasonable attorneys' fees and court costs.

4. **LIMITED WARRANTY.** Contech will provide the Services in accordance with generally accepted industry practices using reasonable care and skill consistent with that ordinarily exercised by members of the industry under similar conditions. However, due to the nature of the Services being provided, Contech cannot fully guarantee the success of Client's project. As such, except as set forth in this Section, Contech makes no warranties or guarantees, whether express, implied, or statutory, regarding or relating to the Services furnished under this Agreement. Contech specifically disclaims all implied warranties of merchantability and fitness for a particular purpose with respect to the Services.

5. **REMEDY FOR BREACH OF THE LIMITED WARRANTY.** The parties acknowledge and agree that the Services are being provided by Contech with the expectation that Contech is not assuming any financial or operational risks of the Client. In the event Contech commits an error with respect to or incorrectly performs the Services, Contech shall use commercially reasonable efforts to correct such error, or re-perform such Services at no cost to Client. Client acknowledges that its sole and exclusive remedy, and Contech's sole and exclusive liability, for any defect or error in the Services shall be correction, re-performance or substitution of such services by Contech.

6. **LIMITATION OF LIABILITY.** Contech's liability for a claim of any kind related to the Services, whether arising under contract, warranty, tort (including negligence), strict liability, products liability or other theory of liability, shall be limited to and not exceed the price paid by Client for Services. In no event shall Contech be liable for any special, indirect, labor, incidental or consequential damages, including without limitation, loss of profits or business interruption or loss of use of equipment, however caused, arising from or related to the Services.

7. **DELIVERY/FORCE MAJUERE.** Contech shall have no liability for delays or any other breach of its obligations resulting from an Act of God, war, riot, explosion, accident, act of government, work stoppage, default of subcontractor or supplier of materials, or any other cause beyond the reasonable control of Contech.

8. **CANCELLATION, SUSPENSION OR DELAY.** Client agrees to Contech's performance of the Services in accordance with the date shown on the Quote. Client may cancel or suspend or delay by more than 30 days an order for Services only upon written notice and payment to Contech of all labor, material, and other costs incurred by Contech prior to such notice plus 25% administrative charge as reasonable estimate of damages for cancellation, suspension or delay.

9. **OWNERSHIP.** Except as otherwise specifically set forth in the scope of work provided as part of the proposal or quotation, all documents, including drawings, specifications, computer files, electronic media, data, engineering calculations, notes, and other documents and instruments prepared or furnished by Contech (collectively the "Documentation") are owned by and the property of Contech. Contech shall retain all common law, statutory and other reserved rights, including copyright, applicable to the Documentation. The Documentation is not intended or represented to be suitable for use on any other project. Client agrees to indemnify and hold Contech harmless against all claims, damages, losses, and expenses (including reasonable attorneys' fees) arising from or in any way connected with the unauthorized use or modification of the Documentation by Client or any person or entity that acquires or obtains the Documentation from or through Client without the written authorization of Contech. Contech shall have no liability to Client or others for changes made to the Documentation by Client without Contech's prior written approval.

10. **INDEMNITY.** Client shall indemnify and hold Contech harmless from all claims, damages, costs, fees, liabilities, losses, and expenses (including reasonable attorneys' fees and expert fees) as a result of any breach of this Agreement by Client or in connection with the Services by Contech under this Agreement, including without limitation, use of drawings, data or other information. However, in no event shall Client be liable under this provision for claims arising out of the sole negligence or willful misconduct of Contech.

11. **ASSIGNMENT.** Client may not assign the Agreement between Contech and Client without the prior written consent of Contech.

12. **THIRD-PARTY BENEFICIARIES.** Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against Contech. Contech's Services are being performed solely for Client's benefit, and no party or entity shall have any claim against Contech because of this Agreement or the performance or nonperformance of the Services.

13. **INDEPENDENT CONTRACTORS.** Each party will be, and act as, an independent contractor and not as an agent or partner of, or joint venture with, the other party for any purpose related to this Agreement or the transactions contemplated by this Agreement, and neither party by virtue of this Agreement will have any right, power, or authority to act or create any obligation, expressed or implied, on behalf of the other party.

14. **SEVERABILITY.** In the event any provision of this Agreement shall be declared invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

15. **PERIOD OF LIMITATIONS.** Client and Contech agree that a claim of any kind by Client related to the Services must be commenced by Client within one year of accrual of the cause of action or, if less, one year of performance of the Services.

16. **APPLICABLE LAW.** This contract shall be governed by, and construed and enforced in accordance with, the laws of the State of Ohio, without regard to any conflict of laws principles. Client and Contech agree and consent that dispute or legal action arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be brought and tried exclusively in the Butler County Court of Common Pleas in Hamilton, Ohio or, in the absence of jurisdiction, the federal district court in Cincinnati, Ohio.

17. **ENTIRE AGREEMENT.** This Agreement represents the entire and integrated agreement between Client and Contech and supersedes all prior negotiations, representations or agreements either written or oral. This Agreement may be amended only by written instrument signed by both Client and Contech.

**SERVICE AGREEMENT FOR
PROFESSIONAL DESIGN SERVICES FOR CONTINENTAL PEDESTRIAN
CONNECTOR TRUSS BRIDGE**

THIS SERVICE AGREEMENT FOR PROFESSIONAL DESIGN SERVICES FOR CONTINENTAL PEDESTRIAN CONNECTOR TRUSS BRIDGE (“Agreement”) is entered into and effective as of the _____ day of _____, 2021, by and between **PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **CONTECH ENGINEERED SOLUTIONS, LLC**, a Ohio limited liability company (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 Certification of Compliance with Illegal Alien Statute. By its execution hereof, the Consultant confirms and ratifies all of the certifications, statements, representations and warranties set forth in **Exhibit C** attached hereto and made a part hereof by this reference.

1.6 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 1.6, 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 1.6. 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 with a total contract amount not to exceed Five Thousand Nine Hundred and Zero Dollars (\$5,900.00), unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as **Exhibit D** (“**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 date satisfactory completion of the Services. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination. 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.

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.

(v) Professional Liability Insurance Coverage. The Consultant shall obtain and, continuously thereafter for eight (8) years from the date of substantial completion of the design, maintain in full force and effect a claims made policy covering errors, omissions and negligent acts in the performance of its Services hereunder, in an amount of \$1,000,000 per claim and annual aggregate. The Consultant shall be solely responsible for the payment of all deductibles. Consultant's deductibles or Consultant's self-insured retentions shall be approved by the District.

(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
Phone: (303) 897-0835
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: Contech Engineered Solutions LLC
9025 Centre Pointe Drive, Suite 400
West Chester, OH 45069
Phone: (513) 645-7000
Email: Daniel.Niederberger@ContechES.com
Attn: Daniel Niederberger

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 FOR PROFESSIONAL DESIGN SERVICES FOR CONTINENTAL PEDESTRIAN CONNECTOR TRUSS BRIDGE]

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

Consultant:
CONTECH ENGINEERED SOLUTIONS LLC, a Ohio limited liability company
 By: _____
 Its: _____

STATE OF COLORADO)
) ss.
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by _____, as _____ of Contech Engineered Solutions, LLC.

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 _____, 2021, 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

DESCRIPTION OF BRIDGE:

- Style: Connector Truss Bridge
- Length: 30'-0" (End to End)
- Width: 10'-0" (Width between Trusses)
- Finish: Unpainted Self-Weathering Steel
- Decking: 2"x8" (nom) IPE Ironwood
- Life Safety System: Horizontal Safety Rails @ 4" spacing up to 54"
- Rub Rail/Handrail: IPE Rub Rail
- Toe Plate: Steel Channel
- Camber: Dead Load plus 1%
- Elevation Change: None
- Skew: None
- Design/Loading: AASHTO LRFD (Live load: 90 psf; Vehicle load: H5 (10,000 lbs GVW); Wind load: based on Wind Velocity of 115 mph)
- Preliminary Shipping Configuration: Bridge to be shipped in one (1) piece, fully assembled

DESCRIPTION OF PROFESSIONAL SERVICES:

CES shall provide shop drawings and calculations for the Continental Pedestrian Connector Truss Bridge in accordance with the drawings and information provided.

- Drawing Submittal will be signed and sealed by a Professional Engineer registered in the State of Colorado:
 - Drawings show the full member size for any of the structural steel
 - Drawings show the weld sizes (weld symbols will be shown but size of weld will not be given)
 - Drawings contain all General Notes pertaining to the bridge
 - Drawings contain full anchor bolt layout and bridge reactions to allow the foundation design to proceed
- Calculations will be prepared by CES and submitted at this time.

**EXHIBIT B
COMPENSATION**

Bridge Design Fee: \$5,900

EXHIBIT C
CERTIFICATION OF CONSULTANT

1. Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., the Consultant hereby certifies to the District that the Consultant does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that it will participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of the Consultant who are newly hired to perform work under the Agreement.

2. In accordance with Section 8-17.5-102(2)(a), C.R.S., the Consultant shall not:

(a) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or

(b) Enter into a contract with a subcontractor that fails to certify to the Consultant that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

3. The Consultant represents and warrants it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

4. The Consultant is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

5. If the Consultant obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Consultant shall:

(a) Notify the subcontractor and the District within three (3) days that the Consultant has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(b) Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Consultant shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

6. The Consultant shall comply with any reasonable request by the Colorado Department of Labor and Employment (“**Department**”) made in the course of an investigation that the Department is undertaking, pursuant to the law.

7. If the Consultant violates any provision of Section 8-17.5-102(1), C.R.S., the District may terminate the Agreement immediately and the Consultant shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by the Consultant to the Colorado Secretary of State, as required by law.

EXHIBIT D

FORM OF CHANGE ORDER

Change Order No:	Date Issued:
Name of Agreement: SERVICE AGREEMENT FOR PROFESSIONAL DESIGN SERVICES FOR CONTINENTAL PEDESTRIAN CONNECTOR TRUSS BRIDGE	
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