

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 · 800-741-3254
Fax: 303-987-2032

NOTICE OF A REGULAR MEETING AND AGENDA

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

DATE: June 8, 2023

TIME: 5:30 P.M.

PLACE: **Zoom Meeting: 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:**

Zoom information:

<https://us02web.zoom.us/j/86181958834?pwd=QWdWMExhcEtFWFVVMnJ2Z05ja2hHUT09>

Meeting ID: 861 8195 8834

Passcode: 438631

Dial In: 1-253-215-8782

One tap mobile

+12532158782,,86181958834#,,,,*438631# US (Tacoma)

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflict of Interest.

B. Approve Agenda; confirm location 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 November 3, 2022 Work Session Meeting and November 10, 2022 Special Meeting (enclosures).
 - Ratify approval of Service Agreement for Slurry Seal between the District and Rocky Mountain Pavement, LLC, d/b/a A-One Chipseal (enclosure).
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- D. Consider authorizing interested Board Members to attend the 2023 Special District Association's Annual Conference in Keystone on September 12, 13 and 14, 2023.

- E. Discuss results of cancelled May 2, 2023 Regular Directors' Election (enclosure).

- F. Consider appointment of officers:

President _____
Treasurer _____
Secretary _____
Asst. Secretary _____
Asst. Secretary _____
Asst. Secretary _____

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.

III. COMMUNITY MANAGEMENT MATTERS

- A. Community Management Report (enclosure).

 - 1. Discuss proposed revisions to Design Guidelines at 1967 Coopers Hawk Court.

 - 2. Discuss proposed Trailer Parking Request for 1946 Griffin Drive.

- B. Discuss possible Amendment to the Declaration of Master Design Review Covenant and Use Restrictions and delegation of rights and duties to the District.

IV. FINANCIAL MATTERS

- A. Ratify approval of payment of claims for the period ending November 1, 2022 through February 28, 2023, totaling \$500,267.34 (enclosure).

- B. Review and consider approval of 2022 Audit and authorize execution of Representations Letter (draft audit – enclosed).
-

- C. Ratify approval of Engineer’s Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 5, dated January 2023, prepared by Independent District Engineering Services, LLC, for the amount of \$1,358,115.81 (“Report No. 5”) (enclosure).
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- D. Ratify approval of Engineer’s Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 6, dated March 2023, prepared by Independent District Engineering Services, LLC, for the amount of \$728,423.83 (“Report No. 6”) (enclosure).
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- E. Consider setting the date for a Public Hearing to adopt the 2024 Budget for November 9, 2023, at 5:30 p.m., to be held via Zoom Meeting.
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V. LEGAL MATTERS

- A. Review and consider adoption of Resolution No. 2023-06-01, Resolution Adopting Rules and Regulations for Construction Activity (enclosure).
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- 1. Approve form Construction Activity Permit (enclosure).
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- B. Discuss status of District records due diligence and documentation project.
-

VI. OPERATIONS AND MAINTENANCE MATTERS

- A. Discuss operation and maintenance services.
-

VII. CAPITAL MATTERS

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

VIII. OTHER MATTERS

A. _____

IX. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
NOVEMBER 9, 2023.**

RECORD OF PROCEEDINGS

**MINUTES OF A WORK SESSION OF
THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER
METROPOLITAN DISTRICT NO. 7 (the “District”)
HELD
NOVEMBER 3, 2022**

A work session of the Board of Directors of the Prairie Center Metropolitan District No. 7 (referred to hereafter as “Board”) was convened on Thursday, the 3rd day of November, 2022 at 10:00 A.M. The District work session meeting was held via Zoom video/teleconference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Michael Tamblyn
Ashley Licursi
Brandon Schenberg
Melissa Zimmerman
Amanda Coffey

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

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

Thuy Dam; CliftonLarsonAllen LLP

ADMINISTRATIVE MATTERS

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

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

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

RECORD OF PROCEEDINGS

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

PUBLIC COMMENT There were no public comments.

FINANCIAL MATTERS **2023 Budget:** The Board reviewed and discussed the 2023 draft budget. No action was taken.

OTHER MATTERS **Snow Removal:** The Board discussed snow removal services for the District. Following discussion, the Board directed preparation of a service agreement for snow removal services between the District and Magnum Snow Removal, Inc.

ADJOURNMENT There being no further business to come before the Board at this time, upon motion duly made by Director Licursi, seconded by Director Zimmerman and, upon vote, unanimously carried, the work session 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 10, 2022**

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 10th day of November, 2022 at 5:30 P.M. The District Board meeting was held via Zoom video/teleconference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Michael Tamblyn
Ashley Licursi
Brandon Schenberg
Melissa Zimmerman
Amanda Coffey

Also In Attendance Were:

Ann E. Finn and Shana Jones; Special District Management Services, Inc.

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

Thuy Dam; CliftonLarsonAllen LLP

Debra Oppenheimer, Esq.; Altitude Community Law P.C.

Shannon Barnhill, Shannon Donovan, Melanie Vollstedt, Allen Morales, Courtney Blanco, Adriane Baller, Rupesh Gupta, Melania Bishop, Dereck Bishop, and various other District residents.

ADMINISTRATIVE MATTERS

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

RECORD OF PROCEEDINGS

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 Licursi, seconded by Director Coffey and, upon vote, unanimously carried, the agenda was approved, as presented.

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

Consent Agenda: The Board considered the following actions:

- Approve Minutes of the June 30, 2022, Special Meeting, the September 15, 2022 Special Meeting, and the October 25, 2022 Work Session Meeting.
- Ratify approval of payment of claims for the period ending July 1, 2022 through October 31, 2022 totaling \$641,467.95.
- Authorize District Manager to post transparency notice on the SDA Website and the District website pursuant to Section 32-1-809, C.R.S.
- Ratify approval of Change Order No. 1 to the Service Agreement for Landscape Maintenance between the District and Vargas Property Services, Inc., for removal and replacement of dead trees and landscaping on District Tracts – Village I, in the amount of \$20,200.
- Ratify approval of Change Order No. 2 to the Service Agreement for Landscape Maintenance Services for the Golden Eagle Park between the District and Vargas Property Services, Inc., for tree replacements, for a not-to-exceed amount of \$6,200.

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

Resolution No. 2022-11-01; Resolution Establishing Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices: The Board reviewed Resolution No. 2022-11-01; Resolution Establishing Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices.

RECORD OF PROCEEDINGS

Ms. Finn reviewed the business to be conducted in 2023 to meet the statutory compliance requirements. The Board determined to meet on June 8, 2023 and November 9, 2023 at 5:30 p.m., via Zoom.

Following discussion, upon motion duly made by Director Merkel, seconded by Director Schenberg and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-11-01; Resolution Establishing Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices. A copy of the Resolution is attached hereto and incorporated herein.

PUBLIC COMMENT There were no public comments.

COMMUNITY MANAGEMENT MATTERS

Community Management Report: Ms. Jones presented the Community Management Report to the Board. No action was necessary.

2023 Notice of Legal Services and Fee Summary from Altitude Community Law for Legal Services: Attorney Oppenheimer reviewed with the Board the 2023 Notice of Legal Services and Fee Summary from Altitude Community Law for Legal Services.

Following discussion, the Board elected to continue receiving a-la-carte services under the District's current agreement with Altitude Community Law, so no action was required or taken.

Revisions to Design Guidelines: Director Tamblyn reported that the Design Review Committee has adopted revised Design Guidelines, which are effective immediately, and covenant enforcement procedures (including a schedule of fines) that will become effective January 1, 2023. Copies of the updated documents will be posted on the District website by November 14, 2022.

FINANCIAL MATTERS

2022 Audit: The Board reviewed the proposal from Wipfli LLP for preparation of the 2022 Audit

Following discussion, upon motion duly made by Director Licursi, seconded by Director Coffey and, upon vote, unanimously carried, the Board approved the engagement of Wipfli LLP for preparation of the 2022 Audit, in the amount of \$4,900.

2022 Budget Amendment Hearing: The President opened the public hearing to consider an amendment to the 2022 Budget and discuss related issues.

RECORD OF PROCEEDINGS

It was noted that publication of Notice stating that the Board would consider amendment of the 2022 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.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Coffey and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-11-02, Resolution to Amend the 2022 Budget and Appropriate Expenditures. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2023 Budget Hearing: The President opened the public hearing to consider the proposed 2023 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2023 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 2022 expenditures and the proposed 2023 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2022-11-03 to Adopt the 2023 Budget and Appropriate Sums of Money and Resolution No. 2022-11-04 to Set Mill Levies, (for the General Fund at 11.031 mills, for the Debt Service Fund at 55.156 mills, for a total mill levy of 66.187 mills). Upon motion duly made by Director Zimmerman, seconded by Director Coffey and, upon vote, unanimously carried, Resolution Nos. 2022-11-03 and 2022-11-04 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, 2022. 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, 2022, the District Accountant was also directed to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2023. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

Resolution No. 2022-11-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan: The Board reviewed Resolution No. 2022-11-05 Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Licursi, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-11-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan. A copy of the Resolution is attached hereto and incorporated herein.

Resolution No. 2022-11-06, First Amended and Restated Resolution Regarding the Imposition of District Fees: The Board reviewed Resolution No. 2022-11-06, First Amended and Restated Resolution Regarding the Imposition of District Fees.

Following discussion, upon motion duly made by Director Licursi, seconded by Director Zimmerman and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-11-06, First Amended and Restated Resolution Regarding the Imposition of District Fees.

The Board then directed that the Resolution be recorded in the real property records of Adams County, Colorado, and posted on the District's website. A copy of the adopted Resolution is attached hereto and incorporated herein.

CliftonLarsonAllen LLP 2023 Statements of Work: Ms. Dam reviewed with the Board the CliftonLarsonAllen LLP 2023 Statements of Work for accounting services.

Following discussion, upon motion duly made by Director Licursi, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved the CliftonLarsonAllen LLP 2023 Statements of Work for accounting services.

DLG-70 Certification of Tax Levies Form ("Certification"): Following discussion, upon motion duly made by Director Schenberg, seconded by Director Coffey and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare, and authorized Director Tamblyn to sign, the Certification, and directed the District Accountant to file the Certification with the Board of County Commissioners and other interested parties.

2024 Budget: The Board considered the appointment of the District Accountant to prepare the 2024 Budget.

Following discussion, upon motion duly made by Director Coffey, seconded by Director Tamblyn, and upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2024 Budget, and directed that the 2024 Budget be the same as the 2023 Adopted Budget, unless a Board Member provides input to otherwise adjust those assumptions.

RECORD OF PROCEEDINGS

Engineer’s Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 3, dated August 2022: The Board reviewed the Engineer’s Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 3, dated August 2022, prepared by Independent District Engineering Services, LLC, for the amount of \$999,648.76 (“Report No. 3”).

Following discussion, upon motion duly made by Director Coffey, seconded by Director Zimmerman and, upon vote, unanimously carried, the Board ratified approval of Report No. 3.

Engineer’s Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 4, dated October 2022: The Board reviewed the Engineer’s Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 4, dated October 2022, prepared by Independent District Engineering Services, LLC, for the amount of \$784,577.60 (“Report No. 4”).

Following discussion, upon motion duly made by Director Coffey, seconded by Director Zimmerman and, upon vote, unanimously carried, the Board ratified approval of Report No. 4.

LEGAL MATTERS

Grant of Non-Exclusive Dry Utility Easement between the District and the City of Brighton: The Board reviewed the Grant of Non-Exclusive Dry Utility Easement between the District and the City of Brighton.

Following review and discussion, upon motion duly made by Director Coffey, seconded by Director Tamblyn, and upon vote, unanimously carried, the Board approved the Grant of Non-Exclusive Dry Utility Easement between the District and the City of Brighton.

May 2, 2023 Regular Directors’ Election: The Board discussed the May 2, 2023 Regular Directors’ Election and considered the adoption of Resolution No. 2022-11-07, Resolution Calling a Regular Election for Directors on May 2, 2023, appointing the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election (the “Election Resolution”).

Following review and discussion, upon motion duly made by Director Coffey, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board adopted the Election Resolution, and appointed Ann Finn as DEO. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

RECORD OF PROCEEDINGS

OPERATIONS AND MAINTENANCE MATTERS

Change Order No. 3 to Service Agreement for Landscape Maintenance Services between the District and Vargas Property Services, Inc. for Golden Eagle Park:

The Board discussed Change Order No. 3 to the Service Agreement for Landscape Maintenance Services between the District and Vargas Property Services, Inc. for Golden Eagle Park, to extend the term on a month-by-month basis until final acceptance of the park improvements by the City of Brighton. Following discussion, the Board deferred action on this matter.

Service Agreement for Landscape Maintenance Services between the District and Vargas Property Services, Inc. for District Tracts:

The Board reviewed the Service Agreement for Landscape Maintenance Services between the District and Vargas Property Services, Inc. for District Tracts in Village I.

Following discussion, upon motion duly made by Director Coffey, seconded by Director Zimmerman, and upon vote, unanimously carried, the Board approved the Service Agreement for Landscape Maintenance Services between the District and Vargas Property Services, Inc. for District Tracts in Village I, not to exceed \$39,449.74.

Service Agreement for Exterior Light Inspection between the District and Colorado Lighting, Inc:

The Board reviewed the Service Agreement for Exterior Light Inspection between the District and Colorado Lighting, Inc

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Coffey, and upon vote, unanimously carried, the Board approved the Service Agreement for Exterior Light Inspection between the District and Colorado Lighting, Inc, subject to the increase in time and materials rates not exceeding 10% of the rates shown in the draft agreement.

Service Agreement for Snow Removal Services between the District and Magnum Snow Removal, Inc.:

The Board reviewed the Service Agreement for Snow Removal Services between the District and Magnum Snow Removal, Inc.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Coffey, and upon vote, unanimously carried, the Board approved the Service Agreement for Snow Removal Services between the District and Magnum Snow Removal, Inc.

Dog Waste Collection Stations: The Board discussed the installation of additional dog waste collection stations. Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Coffey, and upon vote, unanimously carried, the Board authorize the installation of two additional dog waste collection stations.

RECORD OF PROCEEDINGS

CAPITAL MATTERS **Prairie Center Village I Phase IV Improvements Projects:** Director Tamblyn provided an update to the Board regarding the Prairie Center Village I Phase IV Improvements Projects and current development within the District.

OTHER MATTERS There were no other matters.

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

Respectfully submitted,

By _____
Secretary for the Meeting

SERVICE AGREEMENT FOR SLURRY SEAL

THIS SERVICE AGREEMENT FOR SLURRY SEAL (“Agreement”) is entered into as of June 8, 2023, and effective as of the March 7, 2023, by and between **PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and **ROCKY MOUNTAIN PAVEMENT, LLC (dba A-One Chipseal)**, a Colorado 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 Work Product. "**Work Product**" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is

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

II. COMPENSATION

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

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

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

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

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on 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. The Parties acknowledge and agree that the Services will be scheduled to commence when the temperature is appropriate. Prior to commencement of the Services, the Consultant shall notify and obtain authorization to proceed from the District's Project Manager Michael Tamblyn, GKT Brighton Residential Management, L.L.C., at (303) 378-4166.

3.2 Termination.

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

termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

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

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

IV. INDEMNIFICATION AND INSURANCE

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

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

(a) Liability Insurance Coverage.

(i) Workers' Compensation Insurance. A Workers' Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer's Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee;

and (iii) \$500,000 aggregate liability for disease. The Workers' Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

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

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

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

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to

the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

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

V. MISCELLANEOUS

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

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

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

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

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

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

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

5.8 Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via FedEx or other nationally recognized overnight air courier service, by electronically-

confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

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

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

To Consultant: Rocky Mountain Pavement, LLC
2505 E. 74th Avenue
Denver, CO 80229
Phone: (303) 650-9653
Email: dennism@asphaltrepair.com
Attn: Dennis Martinez

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

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

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

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

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

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

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

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

[SIGNATURE PAGE FOLLOWS]

**EXHIBIT A
SCOPE OF SERVICES AND COMPENSATION**

Slurry Seal	Qty/Unit	Unit Price	Total Price
<p>Mapex Highly modified Type II Slurry in place on existing asphalt pavement. * All labor, material, equipment necessary shall be furnished. * All work shall be done in accordance with the Standard Specifications for Slurry Seal Applications. * Within eight months an additional sweeping will be done due to natural shedding. * MAPEX is a rigid product this product will have reflective cracking, scuffing and aggregate shedding. The benefits of this product are that it will reduce oxidation, slow water damage, extend the life of the pavement, and beautifies the surface area. MAPEX PROCESS: * Power clean existing pavement * Cover utility valves and manholes * Apply Mapex</p>	2,133 SY	\$6.45	\$13,757.85

Pages A-2 and A-3, which are incorporated into the Agreement by this reference, depict the location in which the Services described above shall be provided.

EXCLUSIONS

General Exclusions:

- * Bonds (add 1%), permits, lab testing, engineering fees, surveying, striping.

Utility Adjustments:

- * Raising or lowering manholes or water valves.
- * Utility relocation

Weekend or Night Work:

- * Weekend or night work.



Shikra PI Slurry Seal



600' x 32" - 2,133 SY's

**EXHIBIT B
FORM OF CHANGE ORDER**

Change Order No:	Date Issued:
Name of Agreement: Service Agreement for Slurry Seal	
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

**CANCELLATION OF ELECTION AND
DECLARATION DEEMING CANDIDATES
ELECTED FOR
PRAIRIE CENTER METROPOLITAN
DISTRICT NO. 7**

The Designated Election Official of the Prairie Center Metropolitan District No. 7 has been duly authorized by the Board of Directors to cancel and declare candidates elected if, at the close of business on the sixty-third (63rd) day before the election, there are not more candidates than offices to be filled at the election to be conducted on May 2, 2023; and

As of the close of business on March 1, 2023, there were not more candidates for Director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates.

Pursuant to Section 1-13.5-513(1), C.R.S., the Designated Election Official hereby cancels the regular election to be conducted on May 2, 2023.

THE ELECTION IS CANCELLED AND THE FOLLOWING CANDIDATES ARE DECLARED ELECTED FOR THE FOLLOWING TERMS:

Ronald Johnson, 4-Year Term
Mike Tamblyn, 4-Year Term

DATED this 1st day of March, 2023.

/s/ Ann Finn

Designated Election Official

Contact Person for District:

Ann Finn

Telephone Number of District:

303-987-0835

Address of District:

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228

**CANCELACIÓN DE ELECCIONES Y
DECLARACIÓN DE CONSIDERACIÓN DE LOS
CANDIDATOS ELEGIDOS PARA
PRAIRIE CENTER METROPOLITAN
DISTRICT NO. 7**

El Funcionario Electoral Designado del Prairie Center Metropolitan District No. 7 ha sido debidamente autorizado por la Junta Directiva para cancelar y declarar candidatos electos si, al cierre de actividades del sexagésimo tercer (63) día antes de la elección, no hay más candidatos que cargos por cubrir. llenarse en la elección que se llevará a cabo el 2 de mayo de 2023; y

Al cierre de operaciones del 1 de marzo de 2023, no había más candidatos para Director que cargos por cubrir, incluidos los candidatos que presentaron declaraciones juradas de intención de ser candidatos por escrito.

De conformidad con la Sección 1-13.5-513(1), C.R.S., el Oficial Electoral Designado cancela por la presente la elección regular que se llevará a cabo el 2 de mayo de 2023.

SE ANULA LA ELECCIÓN Y SE DECLARAN ELEGIDOS LOS SIGUIENTES CANDIDATOS PARA LOS SIGUIENTES TÉRMINOS:

Ronald Johnson, Término de cuatro años
Mike Tamblyn, Término de cuatro años

FECHADO este 1st día de marzo de 2023.

/s/ Ann Finn

Oficial Electoral Designado

Número de teléfono del distrito:

303-987-0835

Dirección del Distrito:

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228

Violations Summary
 Prairie Center Metropolitan District No. 7
 Period: 1/1/2023 through 6/2/2023

Date: 6/2/2023
 Time: 11:36 am
 Page: 1

Violation Type / Item	Escalation	Item Count	# Letters	# Violations
Fencing				
Open				
Fencing: Does Not Conform to Guidelines	Level Third Notice	1		
Fencing: Needs Repair	Level Courtesy Notice	1		
Fencing: Needs Stain	Level Courtesy Notice	1		
Fencing: Needs Stain	Level First Notice	2		
Fencing: Needs Stain	Level Second Notice	1		
Fencing: Needs Stain	Level Third Notice	3		
Total Items / Letters Open		9	16	
Total Fencing		9	16	9
Holiday Decorations				
Open				
Holiday Decorations: Left Up	Level Courtesy Notice	1		
Holiday Decorations: Left Up	Level Second Notice	1		
Total Items / Letters Open		2	5	
Total Holiday Decorations		2	5	2
Landscaping				
Open				
Landscaping: Fabric Showing	Level Third Notice	1		
Landscaping: Not Installed	Level Courtesy Notice	1		
Landscaping: Not Installed	Level Second Notice	2		
Total Items / Letters Open		4	6	
Total Landscaping		4	6	4
Lawn				
Open				
Lawn: Health of Grass	Level Courtesy Notice	6		
Lawn: Health of Grass	Level First Notice	1		
Lawn: Needs Mowed	Level Courtesy Notice	16		
Total Items / Letters Open		23	23	
Total Lawn		23	23	23

Violations Summary
 Prairie Center Metropolitan District No. 7
 Period: 1/1/2023 through 6/2/2023

Date: 6/2/2023
 Time: 11:36 am
 Page: 2

Violation Type / Item	Escalation	Item Count	# Letters	# Violations
Misc				
Open				
Nuisance	Level Courtesy Notice	1		
Nuisance	Level Third Notice	1		
Trash/Debris at Residence	Level Attorney Notice	1		
Unapproved Improvement	Level Third Notice	2		
Unapproved Improvement	Level Attorney Notice	1		
Total Items / Letters Open		6	13	
Total Misc		6	13	5
Parking, etc.				
Open				
Parking Where Not Permitted	Level Attorney Notice	1		
Total Items / Letters Open		1	1	
Total Parking, etc.		1	1	1
Trash Cans				
Open				
Trash Cans: Visible	Level Courtesy Notice	1		
Trash Cans: Visible	Level Second Notice	1		
Total Items / Letters Open		2	4	
Total Trash Cans		2	4	2
Trees				
Open				
Tree: Dead	Level Courtesy Notice	4		
Tree: Dead	Level First Notice	4		
Tree: Dead	Level Second Notice	4		
Tree: Dead	Level Third Notice	1		
Total Items / Letters Open		13	13	
Total Trees		13	13	13
Weeds				
Open				
Weeds in Lawn	Level Courtesy Notice	4		
Weeds in Lawn	Level First Notice	1		

Violations Summary
 Prairie Center Metropolitan District No. 7
 Period: 1/1/2023 through 6/2/2023

Date: 6/2/2023
Time: 11:36 am
Page: 3

Violation Type / Item	Escalation	Item Count	# Letters	# Violations
Weeds				
	Open			
Weeds in Lawn	Level Third Notice	1		
Weeds: Rock/Mulch Beds	Level Courtesy Notice	7		
Weeds: Rock/Mulch Beds	Level Third Notice	2		
Weeds: Rock/Mulch Beds	Level Attorney Notice	1		
Total Items / Letters Open		16	17	
Total Weeds		16	17	16
Total for Prairie Center Metropolitan District No. 7		76	98	75

Prairie Center Metropolitan District No. 7

Check List

All Bank Accounts

November 1, 2022 - February 28, 2023

Check Number	Check Date	Payee	Amount
Vendor Checks			
1731	11/03/22	City of Brighton	45,486.61
1732	11/16/22	Aztec Consultants, Inc.	5,580.00
1733	11/16/22	Ballard Spahr LLP	2,623.00
1734	11/16/22	Brightview Landscape Development, Inc.	9,515.20
1735	11/16/22	Brinkmann Construction	57,219.17
1736	11/16/22	CliftonLarsonAllen LLP	10,361.58
1737	11/16/22	CO Special Dist. Prop & Liab Pool	10,331.00
1738	11/16/22	Colorado Lighting, Inc,	20.00
1739	11/16/22	Diversified Underground	2,490.00
1740	11/16/22	DTJ Design, Inc.	987.00
1741	11/16/22	McGeady Becher, PC	9,810.06
1742	11/16/22	Omerta Storm Water Management	19,264.64
1743	11/16/22	Poop 911	128.00
1744	11/16/22	RCD Construction Inc	32,501.97
1745	11/16/22	Redland Consulting Group Inc	6,661.08
1746	11/16/22	Special District Mgmt. Services, Inc	3,357.44
1747	11/16/22	Utility Notification Center of CO	132.30
1748	11/16/22	Vargas Property Service Inc	16,285.28
1750	12/20/22	Aztec Consultants, Inc.	6,720.00
1751	12/20/22	Brinkmann Construction	93,636.67
1752	12/20/22	CAM Services	290.00
1753	12/20/22	CliftonLarsonAllen LLP	7,695.05
1754	12/20/22	Colorado Community Media Group	29.20
1755	12/20/22	Colorado Lighting, Inc,	260.53
1756	12/20/22	CTL Thompson	5,670.00
1757	12/20/22	Diversified Underground	5,065.00
1758	12/20/22	DTJ Design, Inc.	805.00
1759	12/20/22	Hydro Physics Pipe Inspection Services	3,100.00
1760	12/20/22	Magnum Snow Removal, LLC	2,824.81
1761	12/20/22	McGeady Becher, PC	17,203.02
1762	12/20/22	Omerta Storm Water Management	5,872.60
1763	12/20/22	Poop 911	96.00
1764	12/20/22	RCD Construction Inc	3,366.29
1765	12/20/22	Redland Consulting Group Inc	12,313.74
1766	12/20/22	Snow Pros, Inc	2,600.00
1767	12/20/22	Special District Mgmt. Services, Inc	5,209.21
1768	12/20/22	Utility Notification Center of CO	118.30
1769	12/20/22	Vargas Property Service Inc	296.85
1770	01/19/23	Altitude Community Law P.C.	552.00
1771	01/19/23	Aztec Consultants, Inc.	1,680.00
1772	01/19/23	Brinkmann Construction	3,099.16
1773	01/19/23	CliftonLarsonAllen LLP	8,086.84
1774	01/19/23	Colorado Lighting, Inc,	20.00
1775	01/19/23	CTL Thompson	1,097.00
1776	01/19/23	Diversified Underground	1,035.00
1777	01/19/23	Magnum Snow Removal, LLC	5,404.35
1778	01/19/23	McGeady Becher, PC	655.55
1779	01/19/23	Omerta Storm Water Management	3,938.30
1780	01/19/23	Poop 911	40.00
1781	01/19/23	Redland Consulting Group Inc	4,230.00
1782	01/19/23	Special District Mgmt. Services, Inc	3,242.65
1783	01/19/23	Utility Notification Center of CO	58.50
1784	01/19/23	Vargas Property Service Inc	5,932.02
1786	02/16/23	Aztec Consultants, Inc.	960.00
1787	02/16/23	Brinkmann Construction	9,377.21
1788	02/16/23	CliftonLarsonAllen LLP	6,430.38
1789	02/16/23	Colorado Lighting, Inc,	20.00

Prairie Center Metropolitan District No. 7

Check List

All Bank Accounts

November 1, 2022 - February 28, 2023

Check Number	Check Date	Payee	Amount
1790	02/16/23	CTL Thompson	1,647.50
1791	02/16/23	Diversified Underground	640.00
1792	02/16/23	DTJ Design, Inc.	2,005.29
1793	02/16/23	Independent Dist. Engineering Services	4,797.53
1794	02/16/23	Magnum Snow Removal, LLC	4,737.53
1795	02/16/23	Omerta Storm Water Management	2,612.00
1796	02/16/23	Poop 911	60.00
1797	02/16/23	Redland Consulting Group Inc	2,875.00
1798	02/16/23	Special District Association	1,237.50
1799	02/16/23	Special District Mgmt. Services, Inc	4,442.00
1800	02/16/23	Utility Notification Center of CO	46.44
ACH	02/16/23	United Power Inc	91.42
ACH	02/16/23	City of Brighton	499.82
ACH	01/19/23	United Power Inc	91.74
ACH	01/19/23	City of Brighton	219.82
ACH	12/20/22	United Power Inc	91.11
ACH	12/20/22	City of Brighton	1,411.76
ACH	11/16/22	United Power Inc	91.42
ACH	11/16/22	City of Brighton	10,883.90
Vendor Check Total			<u>500,267.34</u>
Check List Total			<u><u>500,267.34</u></u>

Check count = 76

Prairie Center Metro District No. 7
Check register
March 1, 2023 - June 1, 2023

Date	Payee	Document no.	Amount
	Bank: 1st Bank - PCMD7 - First Bank	Account no: 3661268427	
03/16/2023	A510309 - 000016--City of Brighton		499.82
03/17/2023	A510309 - 000047--Hydro Physics Pipe Inspection Services	1808	1,000.00
03/17/2023	A510309 - 000091--Special District Mgmt. Services, Inc	1815	4,566.12
03/17/2023	A510309 - 000032--Diversified Underground	1807	970.00
03/17/2023	A510309 - 000030--CTL Thompson	1806	811.00
03/17/2023	A510309 - 000048--Independent Dist. Engineering Services	1809	1,657.50
03/17/2023	A510309 - 000012--Brinkmann Construction	1803	2,680.62
03/17/2023	A510309 - 000069--Omerta Storm Water Management	1812	3,862.10
03/17/2023	A510309 - 000061--Magnum Snow Removal, LLC	1810	4,418.74
03/17/2023	A510309 - 000005--Aztec Consultants, Inc.	1802	360.00
03/17/2023	A510309 - 000027--Colorado Lighting, Inc,	1805	20.00
03/17/2023	A510309 - 000075--Poop 911	1813	98.00
03/17/2023	A510309 - 000063--McGeady Becher, PC	1811	435.49
03/17/2023	A510309 - 000019--CliftonLarsonAllen LLP	1804	7,975.11
03/17/2023	A510309 - 000080--Redland Consulting Group Inc	1814	1,512.34
03/17/2023	A510309 - 000003--Altitude Community Law P.C.	1801	74.81
03/17/2023	A510309 - 000105--Utility Notification Center of CO	1816	88.32
03/17/2023	A510309 - 000104--United Power Inc		(90.16)
03/17/2023	A510309 - 000104--United Power Inc		90.16
03/31/2023	A510309 - 000091--Special District Mgmt. Services, Inc	1828	3,786.29
03/31/2023	A510309 - 000032--Diversified Underground	1822	1,045.00
03/31/2023	A510309 - 000048--Independent Dist. Engineering Services	1823	1,948.20
03/31/2023	A510309 - 000105--Utility Notification Center of CO	1829	65.79
03/31/2023	A510309 - 000080--Redland Consulting Group Inc	1827	575.00
03/31/2023	A510309 - 000061--Magnum Snow Removal, LLC	1824	956.36
03/31/2023	A510309 - 000022--Colorado Community Media Group	1820	173.44
03/31/2023	A510309 - 000027--Colorado Lighting, Inc,	1821	20.00
03/31/2023	A510309 - 000005--Aztec Consultants, Inc.	1818	360.00
03/31/2023	A510309 - 000063--McGeady Becher, PC	1825	466.47
03/31/2023	A510309 - 000019--CliftonLarsonAllen LLP	1819	8,062.73
03/31/2023	A510309 - 000003--Altitude Community Law P.C.	1817	420.00
03/31/2023	A510309 - 000104--United Power Inc		90.15
04/14/2023	A510309 - 000016--City of Brighton		499.82
04/14/2023	A510309 - 000075--Poop 911	1826	140.00
04/14/2023	A510309 - 000106--Vargas Property Service Inc	1830	13,149.88
04/30/2023	A510309 - 000104--United Power Inc		89.64
05/16/2023	A510309 - 000069--Omerta Storm Water Management	Voided - 1812	(3,862.10)
05/17/2023	A510309 - 000069--Omerta Storm Water Management	1842	3,862.10
05/17/2023	A510309 - 000080--Redland Consulting Group Inc	1838	230.00
05/17/2023	A510309 - 000069--Omerta Storm Water Management	1836	12,231.50
05/17/2023	A510309 - 000091--Special District Mgmt. Services, Inc	1839	3,958.16
05/17/2023	A510309 - 000063--McGeady Becher, PC	1835	758.00
05/17/2023	A510309 - 000105--Utility Notification Center of CO	1840	86.43
05/17/2023	A510309 - 000106--Vargas Property Service Inc	1841	3,287.47
05/17/2023	A510309 - 000075--Poop 911	1837	170.00
05/17/2023	A510309 - 000032--Diversified Underground	1833	845.00
05/17/2023	A510309 - 000035--DTJ Design, Inc.	1834	2,205.05
05/17/2023	A510309 - 000027--Colorado Lighting, Inc,	1832	20.00
05/17/2023	A510309 - 000019--CliftonLarsonAllen LLP	1831	14,050.21
	Total for 1st Bank - PCMD7		<u>100,720.56</u>

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022**

INDEPENDENT AUDITOR'S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
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 (DEFICITS) – 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 (DEFICIT) – 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	29
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	30
OTHER INFORMATION	
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	32

INSERT INDEPENDENT AUDITOR'S REPORT

(1)

DRAFT, NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

BASIC FINANCIAL STATEMENTS

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 17,122
Cash and Investments - Restricted	5,154,886
Accounts Receivable	2,535
Prepaid Expenses	10,781
Receivable from County Treasurer	2,200
Refundable Deposits	35,000
Property Taxes Receivable	524,152
Capital Assets, Not Being Depreciated:	
Construction in Progress	13,107,580
Capital Assets, Net	392,620
Total Assets	19,246,876
LIABILITIES	
Accounts Payable	220,955
Retainage Payable	94,420
Project Management Fee Payable	706,973
Project Management Fee Interest Payable	42,828
Accrued Interest Payable - Bonds	295,633
Noncurrent Liabilities:	
Due in More than One Year	26,987,154
Total Liabilities	28,347,963
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	524,152
Total Deferred Inflows of Resources	524,152
NET POSITION	
Net Investment in Capital Assets	(688,266)
Restricted for:	
Emergency Reserves	4,900
Unrestricted	(8,941,873)
Total Net Position	\$ (9,625,239)

See accompanying Notes to Basic Financial Statements.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

		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	\$ 765,849	\$ 82,940	\$ -	\$ 33,658	\$ (649,251)
Interest and Related Costs on Long-Term Debt	1,599,715	-	-	1,528,784	(70,931)
Conveyance of Capital Assets to Other Governments	1,414,872	-	-	-	(1,414,872)
	<u>\$ 3,780,436</u>	<u>\$ 82,940</u>	<u>\$ -</u>	<u>\$ 1,562,442</u>	<u>(2,135,054)</u>
 GENERAL REVENUES					
Property Taxes					373,636
Specific Ownership Taxes					26,415
Net Investment Income					101,009
Other Revenue					11,631
Total General Revenues					<u>512,691</u>
 CHANGE IN NET POSITION					
					(1,622,363)
Net Position - Beginning of Year					<u>(8,002,876)</u>
 NET POSITION - END OF YEAR					
					<u>\$ (9,625,239)</u>

See accompanying Notes to Basic Financial Statements.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 17,122	\$ -	\$ -	\$ 17,122
Cash and Investments - Restricted	4,900	1,065,708	4,084,278	5,154,886
Accounts Receivable	2,535	-	-	2,535
Prepaid Expenses	10,781	-	-	10,781
Receivable from County Treasurer	367	1,833	-	2,200
Property Taxes Receivable	87,357	436,795	-	524,152
Refundable Deposits	-	-	35,000	35,000
	-	-	35,000	35,000
Total Assets	\$ 123,062	\$ 1,504,336	\$ 4,119,278	\$ 5,746,676
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 54,329	\$ -	\$ 166,626	\$ 220,955
Retainage Payable	-	-	94,420	94,420
Project Management Fee Payable	-	-	706,973	706,973
Project Management Fee Interest Payable	-	-	42,828	42,828
Total Liabilities	54,329	-	1,010,847	1,065,176
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	87,357	436,795	-	524,152
Total Deferred Inflows of Resources	87,357	436,795	-	524,152
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	10,781	-	-	10,781
Restricted for:				
Emergency Reserves	4,900	-	-	4,900
Debt Service	-	1,067,541	-	1,067,541
Capital Projects	-	-	3,108,431	3,108,431
Unassigned:				
General Government	(34,305)	-	-	(34,305)
Total Fund Balances	(18,624)	1,067,541	3,108,431	4,157,348
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 123,062	\$ 1,504,336	\$ 4,119,278	\$ 5,746,676

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, 2022**

Fund Balances - Total Governmental Funds	\$ 4,157,348
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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	13,107,580
Capital Assets, Net	392,620

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(13,235,000)
Accrued Interest Payable - Bonds	(295,633)
Developer Advance Payable	(13,573,925)
Accrued Interest Payable - Developer Advances	(110,392)
Funding Fees on Developer Advances	<u>(67,837)</u>

Net Position of Governmental Activities	<u>\$ (9,625,239)</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 (DEFICITS)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Credit Public Improvement Fees from Building Permits	\$ -	\$ 134,632	\$ -	\$ 134,632
Credit Public Improvement Fees from Building Permits - PRI	-	-	33,658	33,658
Add-On Public Improvement Fees from Building Permits	-	134,632	-	134,632
Facilities Fees	-	204,000	-	204,000
Drainage Impact Fees	-	384,720	-	384,720
Rebated City Fees	-	513,514	-	513,514
Neighborhood Park Impact Fees	-	157,286	-	157,286
Working Capital Fees	15,800	-	-	15,800
Operations Fees	67,140	-	-	67,140
Property Taxes	62,269	311,367	-	373,636
Specific Ownership Taxes	4,402	22,013	-	26,415
Net Investment Income	25	33,357	67,627	101,009
Other Revenue	11,631	-	-	11,631
Total Revenues	<u>161,267</u>	<u>1,895,521</u>	<u>101,285</u>	<u>2,158,073</u>
EXPENDITURES				
General and Operations	407,179	-	71,596	478,775
Debt Service	-	1,979,836	-	1,979,836
Capital Outlay	-	-	5,709,156	5,709,156
Total Expenditures	<u>407,179</u>	<u>1,979,836</u>	<u>5,780,752</u>	<u>8,167,767</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(245,912)	(84,315)	(5,679,467)	(6,009,694)
OTHER FINANCING SOURCES (USES)				
Developer Advances	261,800	-	6,632,548	6,894,348
Repayment of Developer Advances	-	-	(2,856,400)	(2,856,400)
Total Other Financing Sources (Uses)	<u>261,800</u>	<u>-</u>	<u>3,776,148</u>	<u>4,037,948</u>
NET CHANGE IN FUND BALANCES	15,888	(84,315)	(1,903,319)	(1,971,746)
Fund Balances (Deficits) - Beginning of Year	<u>(34,512)</u>	<u>1,151,856</u>	<u>5,011,750</u>	<u>6,129,094</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (18,624)</u>	<u>\$ 1,067,541</u>	<u>\$ 3,108,431</u>	<u>\$ 4,157,348</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, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ (1,971,746)

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	5,447,969
Depreciation	(21,223)
Conveyance of Capital Assets to Other Governments	(1,414,872)

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	1,495,000
Developer Advances	(6,894,348)
Repayment of Developer Advances - Principal	2,041,383

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:

Funding Fees on Developer Advances	(1,280)
Accrued Interest on Bonds Payable - Change in Liability	(252,373)
Accrued Interest on Developer Advances - Change in Liability	<u>(50,873)</u>

Change in Net Position of Governmental Activities \$ (1,622,363)

See accompanying Notes to Basic Financial Statements.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Working Capital Fees	\$ 28,800	\$ 28,800	\$ 15,800	\$ (13,000)
Operations Fees	90,720	90,720	67,140	(23,580)
Property Taxes	62,124	62,124	62,269	145
Specific Ownership Taxes	4,349	4,349	4,402	53
Net Investment Income	-	100	25	(75)
Other Revenue	5,000	12,000	11,631	(369)
Total Revenues	<u>190,993</u>	<u>198,093</u>	<u>161,267</u>	<u>(36,826)</u>
EXPENDITURES				
Accounting	50,000	45,000	41,653	3,347
Audit	4,300	4,300	4,300	-
Billing and Collection	18,500	23,500	26,313	(2,813)
Community Management	25,000	25,000	22,095	2,905
County Treasurer's Fees	932	932	933	(1)
Dues and Membership	550	581	581	-
Directors' Fees	-	1,500	1,500	-
District Management	20,000	22,000	22,446	(446)
Election Expense	10,000	10,000	9,690	310
Electric - District Tracts	650	1,000	1,081	(81)
Insurance	18,000	9,330	9,330	-
Irrigation Water - District Tracts	60,000	100,000	93,173	6,827
Landscape Maintenance - District Tracts	55,000	50,000	41,516	8,484
Landscape Maintenance - Park	20,000	25,000	23,236	1,764
Legal Services	20,000	35,000	31,829	3,171
Pet Station Services	5,000	5,000	1,104	3,896
Repairs and Maintenance - District Tracts	2,500	2,500	1,171	1,329
Repairs and Maintenance - Park	-	10,000	9,975	25
Site Lighting	2,400	2,400	-	2,400
Snow Removal	15,000	25,000	24,289	711
Tree Care Program	30,000	30,000	25,575	4,425
Underdrain System Maintenance	15,000	5,000	1,635	3,365
Miscellaneous/Contingency	10,168	16,957	13,754	3,203
Total Expenditures	<u>383,000</u>	<u>450,000</u>	<u>407,179</u>	<u>42,821</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(192,007)	(251,907)	(245,912)	5,995
OTHER FINANCING SOURCES (USES)				
Developer Advances	194,607	292,419	261,800	(30,619)
Total Other Financing Sources (Uses)	<u>194,607</u>	<u>292,419</u>	<u>261,800</u>	<u>(30,619)</u>
NET CHANGE IN FUND BALANCE	2,600	40,512	15,888	(24,624)
Fund Balance (Deficit) - Beginning of Year	<u>3,200</u>	<u>(34,512)</u>	<u>(34,512)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 5,800</u>	<u>\$ 6,000</u>	<u>\$ (18,624)</u>	<u>\$ (24,624)</u>

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported 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, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures 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, 2022.

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, and are not included in the calculation of net investment in capital assets component of the District's net position.

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.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Landscape Improvements	20 Years
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PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, sale 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 Amended and Restated 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 \$6,757 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, 2022

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 assets 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, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

Deficits

The General Fund reported a deficit in the fund financial statements as of December 31, 2022. This deficit will be eliminated with the receipt of funds advanced by the Developer in 2023.

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 17,122
Cash and Investments - Restricted	5,154,886
Total Cash and Investments	\$ 5,172,008

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

Deposits with Financial Institutions	\$ 813,890
Investments	4,358,118
Total Cash and Investments	\$ 5,172,008

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.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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

At December 31, 2022, the District's cash deposits had a bank balance of \$865,657 and a carrying balance of \$813,890.

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2022, 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	\$ 3,541,966
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	816,152
Total		<u>\$ 4,358,118</u>

COLOTRUST

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

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

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, 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 PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations 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, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, 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 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 CASH FUND is rated AAmmf and CSAFE CORE is rated AAaf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. 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, 2022

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2022:

	Balance - December 31, 2021	Increases	Decreases	Balance - December 31, 2022
Capital Assets, Not Being Depreciated:				
Construction in Progress/ Not Yet Conveyed	<u>\$ 9,074,483</u>	<u>\$ 5,447,969</u>	<u>\$ 1,414,872</u>	<u>\$ 13,107,580</u>
Total Capital Assets, Not Being Depreciated	9,074,483	5,447,969	1,414,872	13,107,580
Capital Assets, Being Depreciated:				
Landscape Improvements	<u>424,454</u>	<u>-</u>	<u>-</u>	<u>424,454</u>
Total Capital Assets, Being Depreciated	424,454	-	-	424,454
Less Accumulated Depreciation for:				
Landscape Improvements	<u>(10,611)</u>	<u>(21,223)</u>	<u>-</u>	<u>(31,834)</u>
Total Accumulated Depreciation	<u>(10,611)</u>	<u>(21,223)</u>	<u>-</u>	<u>(31,834)</u>
Total Capital Assets, Being Depreciated, Net	<u>413,843</u>	<u>(21,223)</u>	<u>-</u>	<u>392,620</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 9,488,326</u></u>	<u><u>\$ 5,426,746</u></u>	<u><u>\$ 1,414,872</u></u>	<u><u>\$ 13,500,200</u></u>

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government	<u><u>\$ 21,223</u></u>
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During 2022, a significant portion of the capital assets constructed by the District were conveyed to other governmental entities. The costs of all capital assets transferred to other governmental entities were removed from the District's financial records.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance - December 31, 2021	Additions	Retirements	Balance - December 31, 2022	Current Portion
Bonds Payable:					
Bonds Payable -					
Series 2020	\$ 10,740,000	\$ -	\$ 1,495,000	\$ 9,245,000	\$ -
Series 2021	3,990,000	-	-	3,990,000	-
Subtotal of Bonds Payable	<u>14,730,000</u>	<u>-</u>	<u>1,495,000</u>	<u>13,235,000</u>	<u>-</u>
Other Debts:					
Developer Advance -					
Operating	309,799	261,800	-	571,599	-
Accrued Interest on					
Developer Advance -					
Operating	37,915	34,966	-	72,881	-
Developer Advance -					
Capital	8,411,161	6,632,548	2,041,383	13,002,326	-
Accrued Interest on					
Developer Advance -					
Capital	21,604	830,924	815,017	37,511	-
Funding Fee Payable	66,557	1,280	-	67,837	-
Subtotal of Other Debts	<u>8,847,036</u>	<u>7,761,518</u>	<u>2,856,400</u>	<u>13,752,154</u>	<u>-</u>
 Total Long-Term Obligations	 <u>\$ 23,577,036</u>	 <u>\$ 7,761,518</u>	 <u>\$ 4,351,400</u>	 <u>\$ 26,987,154</u>	 <u>\$ -</u>

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 are 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 are also 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 in the amount of \$7,225,000 bears interest at 4.125% and matures on December 15, 2036. The second term bond in the amount of \$5,000,000 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.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

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, and any other legally available moneys of the District which the District deposits with the Trustee for application as Pledged Revenue. The Bonds are also secured by amounts held in the Reserve Fund in the amount \$812,672.

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture. Acceleration of the Bonds shall not be an available remedy for an Event of Default. The Bonds do not have any unused lines of credit, and no assets have been pledged as collateral on the Bonds.

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

Subordinate Limited Tax General Obligation Bonds, Series 2021 (the Subordinate Bonds)

The District issued the Subordinate Bonds on November 30, 2021, in the par amount of \$3,990,000. Proceeds from the sale of the Subordinate Bonds were used to repay advances made by the Developer to the District to construct public infrastructure to serve the development and certain other property within Prairie Center, and to pay costs of issuing the Subordinate Bonds. The Subordinate Bonds bear interest at the rate of 6.375% per annum and are payable annually on December 15, beginning December 15, 2022, but only to the extent of available Subordinate Pledged Revenue. The Subordinate Bonds are structured as "cash flow" bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date of June 15, 2046. Principal on the Subordinate Bonds is payable on each December 15 from, and to the extent of, Subordinate Pledged Revenue on deposit in the Subordinate Mandatory Redemption Account of the Subordinate Bond Fund 45 days prior to such December 15.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Subordinate Limited Tax General Obligation Bonds, Series 2021 (the Subordinate Bonds) (Continued)

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

The Subordinate Bonds are secured by and payable from moneys derived by the District from the following sources: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. Subordinate Property Tax Revenues means all moneys derived from imposition by the District of the Subordinate Required Mill Levy and are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

Subordinate Specific Ownership Tax Revenues means the specific ownership taxes remitted to the District as a result of its imposition of the Subordinate Required Mill Levy. The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2025, and on any date thereafter, upon payment of par and accrued interest, with no redemption premium.

Events of default occur if the District fails to impose the Subordinate Required Mill Levy, or to apply the Subordinate Pledged Revenues as required by the Indenture, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Subordinate Indenture. Acceleration of the Subordinate Bonds shall not be an available remedy for an Event of Default. The Subordinate Bonds do not have any unused lines of credit, and no assets have been pledged as collateral on the Subordinate Bonds.

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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.

At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 2, 2006	Authorization Used		Authorized But Unissued
		Series 2020	Series 2021	
		Bonds	Bonds	
Streets	\$ 750,000,000	\$ 8,707,455	\$ 3,511,200	\$ 737,781,345
Water	750,000,000	1,092,928	-	748,907,072
Sanitation	750,000,000	1,206,164	239,400	748,554,436
Parks and Recreation	750,000,000	1,218,453	239,400	748,542,147
Transportation	750,000,000	-	-	750,000,000
Traffic and Safety Controls	750,000,000	-	-	750,000,000
Mosquito Control	20,000,000	-	-	20,000,000
Tele Relay and Translation	20,000,000	-	-	20,000,000
Operations and Maintenance	750,000,000	-	-	750,000,000
Intergovernmental Agreements	750,000,000	-	-	750,000,000
Debt Refunding	750,000,000	-	-	750,000,000
Total	\$ 6,790,000,000	\$ 12,225,000	\$ 3,990,000	\$ 6,773,785,000

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) as amended wherein the District agrees to reimburse the Developer for advances made to the District (see Note 7). During 2022, total Developer advances recorded was \$6,894,348.

As of December 31, 2022, outstanding advances under the Agreement totaled \$571,599 for operations and maintenance costs, and \$13,002,326 for capital costs. Accrued interest on Developer advances as of December 31, 2022, totaled \$72,881 for operations and maintenance costs, and \$37,511 for capital costs.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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, 2022, the outstanding Funding Fee is \$67,837.

NOTE 6 NET POSITION

The District has net position consisting of three components – net investments in capital interests, restricted, and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

As of December 31, 2022, the District had the following net investment in capital assets, calculated as follows:

	Governmental Activities
Capital Assets, Net	\$ 392,620
Less Capital Related Debt:	
Noncurrent Portion of Long-Term Obligations	(1,080,886)
Net Investment in Capital Assets	\$ (688,266)

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, 2022, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 4,900
Total Restricted Net Position	\$ 4,900

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 bonds issued for public improvements, a portion of which have been conveyed and/or will be conveyed to other governmental entities.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 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 nonpotable 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 and were conveyed by District No. 9 to a private entity in 2016. District No. 9 was dissolved in 2019.

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, 2022

NOTE 7 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, 2022

NOTE 7 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, compounding semi-annually, provided that the maximum rate of such interest shall not exceed 9%. 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.

Project Management Agreement

On October 1, 2017, the District entered into the Project Management Agreement (Project Agreement) with GKT Brighton Residential Management, L.L.C. (Project Manager), an entity affiliated with the Developer. Pursuant to the Project Agreement, the Project Manager shall provide all management services relating to the planning, design, construction, and installation of and obtaining municipal approval of the public improvements. The Project Manager's duties also include supervision, on behalf of the District, of the Construction Manager. As compensation for services provided by the Project Manager, the District shall pay, on a monthly basis, a fee of four percent (4%) of the actual cost of public improvements. Any unpaid fees will accrue interest at the rate of two percent (2%) per annum above the prime rate announced by Bank of America, N.A., St. Louis, Missouri. The Project Agreement is for one year and shall renew annually thereafter for a period of twenty (20) years. As of December 31, 2022, the outstanding balances of the project management fees and related interest are \$706,973 and \$42,828, respectively.

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, 2022

NOTE 7 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 nonpotable 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.

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.

NOTE 8 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). Two 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.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9 RISK MANAGEMENT

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

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

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

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, 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.

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, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Credit Public Improvement Fees from Building Permits	\$ 161,160	\$ 134,632	\$ (26,528)
Add-On Public Improvement Fees from Building Permits	161,160	134,632	(26,528)
Drainage Impact Fees	467,160	384,720	(82,440)
Rebated City Fees	689,190	513,514	(175,676)
Facilities Fees	306,000	204,000	(102,000)
Neighborhood Park Impact Fees	173,400	157,286	(16,114)
Property Taxes	310,642	311,367	725
Specific Ownership Taxes	21,745	22,013	268
Net Investment Income	1,000	33,357	32,357
Total Revenues	2,291,457	1,895,521	(395,936)
EXPENDITURES			
Bond Interest	461,447	472,172	(10,725)
Bond Principal	1,850,000	1,495,000	355,000
County Treasurer's Fees	4,660	4,664	(4)
Paying Agent Fees	10,000	8,000	2,000
Miscellaneous/Contingency	10,893	-	10,893
Total Expenditures	2,337,000	1,979,836	357,164
NET CHANGE IN FUND BALANCE	(45,543)	(84,315)	(38,772)
Fund Balance - Beginning of Year	1,149,141	1,151,856	2,715
FUND BALANCE - END OF YEAR	\$ 1,103,598	\$ 1,067,541	\$ (36,057)

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Credit Public Improvement Fees from Building Permits - PRI	\$ 40,290	\$ 40,290	\$ 33,658	\$ (6,632)
Net Investment Income	2,500	65,000	67,627	2,627
Total Revenues	42,790	105,290	101,285	(4,005)
EXPENDITURES				
PPI				
Village 1 - Phase 2	50,000	20,000	-	20,000
Village 1 - Phase 3	100,000	150,000	119,759	30,241
Village 1 - Phase 4	1,880,000	3,400,000	3,462,138	(62,138)
DPI				
Village 1 - Phase 2	75,000	50,000	23,108	26,892
Village 1 - Phase 3	100,000	50,000	37,250	12,750
Village 1 - Phase 4	2,820,000	1,700,000	1,805,714	(105,714)
General				
Accounting	30,000	30,000	28,064	1,936
District Management	13,500	20,000	14,964	5,036
Engineering	20,000	20,000	7,716	12,284
Legal Services	13,500	20,000	20,852	(852)
Miscellaneous/Contingency	103,139	118,139	-	118,139
Project Management Fee	204,000	220,000	220,411	(411)
Project Management Fee - Interest	41,861	41,861	40,776	1,085
Total Expenditures	5,451,000	5,840,000	5,780,752	59,248
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,408,210)	(5,734,710)	(5,679,467)	55,243
OTHER FINANCING SOURCES (USES)				
Developer Advances	5,500,000	6,655,000	6,632,548	(22,452)
Repayment of Developer Advances	(2,187,000)	(2,860,000)	(2,856,400)	3,600
Total Other Financing Sources (Uses)	3,313,000	3,795,000	3,776,148	(18,852)
NET CHANGE IN FUND BALANCE	(2,095,210)	(1,939,710)	(1,903,319)	36,391
Fund Balance - Beginning of Year	5,639,970	5,011,750	5,011,750	-
FUND BALANCE - END OF YEAR	\$ 3,544,760	\$ 3,072,040	\$ 3,108,431	\$ 36,391

OTHER INFORMATION

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		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
2021	3,360,630	11.132	55.664	224,477	224,139	99.85
2022	5,580,670	11.132	55.664	372,766	373,636	100.23
Estimated for the Year Ending December 31, 2023	\$ 7,919,270	11.031	55.156	\$ 524,152		

Prairie Center Metropolitan District No. 7 Cost Certification



Report #5
January 2023



1626 Cole Blvd, Suite 125
Lakewood, CO 80401

Prairie Center Metropolitan District No. 7 Cost Certification

Table of Contents

Cost Certification Report #5

Introduction	1
Governing Documents.....	1
Activities Conducted.....	1
Assumptions	2
Discussion.....	2
Summary Of Expenditures By Category And Service Plan Division.....	3
Field Investigation Results	3
Recommendation	3

Attachments

Attachment A - Vendor Participation.....	4
Attachment B - Expenditure Data	6
Attachment C – Project Photos	8

January 18, 2023

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

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 COST CERTIFICATION REPORT #5

INTRODUCTION

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

The expenditures for public improvements discussed in this report were paid for by the Developer and are being certified as District eligible in the amount of **\$1,358,115.81**. From that total, **\$572,413.37** are classified as District Public Improvements (DPI) and **\$785,702.44** are classified as Primary Public Improvements (PPI).

This report generally construction management, erosion control, grading, utilities, and roadway improvements in Filing 1.

GOVERNING DOCUMENTS

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

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

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

ACTIVITIES CONDUCTED

For this report, the following activities were performed:

- Governing documents provided by the District and the Developer were reviewed as the basis for recommendation for this report.
- Invoices provided by the Developer were reviewed. A summary was created and is attached as Attachment B.
- A site visit was conducted. Project improvements were photographed.
- Contact was made with Developer to verify knowledge of the work or services performed.
- Some contract unit items were compared to other projects constructed in the Denver Metropolitan Area.
- The plat was reviewed, and it appears improvements included in this report were (not) constructed on public property or easements.

ASSUMPTIONS

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

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

DISCUSSION

This report consists of expenditures provided between September of 2022 and November of 2022. The improvements reviewed are generally represented in Attachment B.

Vendor Participation

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

Review of Invoices and Summary of Expenditures

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

SUMMARY OF EXPENDITURES BY CATEGORY AND SERVICE PLAN DIVISION

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

Cost Certification Expenditures by Bond Category		
Category	Amount	Percent
<i>District Public Improvements (DPI)</i>		
Water	\$0.00	0.00%
Sanitary (inc. Storm)	\$0.00	0.00%
Street	\$568,827.46	41.88%
Parks and Rec	\$3,585.91	0.26%
<i>Primary Public Improvements (PPI)</i>		
Water	\$0.00	0.00%
Sanitary (inc. Storm)	\$0.00	0.00%
Street	\$352,453.26	25.95%
Parks and Rec	\$433,249.18	31.90%
Total	\$1,358,115.81	100.00%

FIELD INVESTIGATION RESULTS

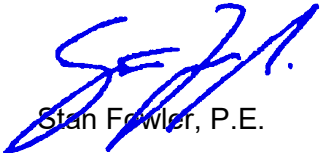
A field investigation was conducted in January 2023. Photos were taken of the Project to memorialize the construction of infrastructure and are included in Attachment C. From our visual inspection, it appears the completed improvements were constructed in a quality manner consistent with other similar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

RECOMMENDATION

In our professional opinion the expenditures for the improvements were reviewed and found to be reasonable. The costs of improvements are comparable to other similar projects in Colorado. At this time and based on the information provided, the Engineer certifies the expenditures provided by the Developer as District eligible expenditures as shown in Attachment B and subject to the level of review presented in this report. These expenditures are certified in the amount of **\$1,358,115.81**.

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

Respectfully Submitted,
Independent District Engineering Services, LLC



Stan Fowler, P.E.

Attachment

Attachment A

Vendor Participation

Attachment A

Vendor Participation

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

Asphalt Specialties, CO. Inc Paving Contractor responsible for Street Improvements on site. Expenditures for improvements consisting of subgrade preparation, subgrade placement, and asphalt paving were reviewed in this report. This work was associated with local streets and is classified as Public Improvements.

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

RCD Construction General Contractor responsible for all phases of construction on site. Expenditures for improvements consisting of earthwork, site utilities, and concrete were reviewed in this report. Since RCD has a contract directly with the Developer for all private improvements, the entire scope reviewed in this report was eligible for public financing.

Attachment B

Expenditure Data

Attachment B
Prairie Center Metropolitan District No. 7

Engineer's Summary for Cost Certification 5

Invoice #	Invoice Date	Invoice Provided	Check #	Check Date	Description	Invoiced Amount	District Eligible Expenses	Non-Eligible Expenses	Notes
RCD Construction - Schedule A - Erosion Control and Grading									
Pay App #14	9/30/2022	Yes	016244	10/10/2022	Erosion Control and Grading	\$34,830.80	\$34,830.80	\$0.00	
Pay App #15	11/30/2022	Yes	016273	12/10/2022	Erosion Control and Grading	\$14,037.92	\$14,037.92	\$0.00	
Subtotal RCD Construction - Schedule A - Erosion Control and Grading						\$48,868.72	\$48,868.72	\$0.00	
RCD Construction - Schedule B - Utilities									
Pay App #14	11/30/2022	Yes	016274	12/10/2022	Utility Contractor	\$23,019.78	\$23,019.78	\$0.00	
Subtotal RCD Construction - Schedule B - Utilities						\$23,019.78	\$23,019.78	\$0.00	
Asphalt Specialties, CO, Inc - Schedule C - Asphalt									
Pay App #2	9/30/2022	Yes	016240	10/10/2022	Asphalt Contractor	\$399,221.55	\$399,221.55	\$0.00	
Pay App #3	10/31/2022	Yes	016255	11/10/2022	Asphalt Contractor	\$430,475.41	\$430,475.41	\$0.00	
Subtotal Asphalt Specialties, CO, Inc - Schedule C - Asphalt						\$829,696.96	\$829,696.96	\$0.00	
RCD Construction - Schedule D - Concrete									
Pay App #9	9/30/2022	Yes	016244	10/10/2022	Concrete Contractor	\$45,988.22	\$45,988.22	\$0.00	
Pay App #10	10/31/2022	Yes	016258	11/10/2022	Concrete Contractor	\$8,417.00	\$8,417.00	\$0.00	
Pay App #11	11/30/2022	Yes	016272	12/10/2022	Concrete Contractor	\$5,607.30	\$5,607.30	\$0.00	
Subtotal RCD Construction - Schedule D - Concrete						\$60,012.52	\$60,012.52	\$0.00	
Colorado DesignScapes, Inc - Schedule E - Landscape and Irrigation									
Pay App #6	9/20/2022	Yes	016241	10/10/2022	Landscape and Irrigation Contractor	\$61,118.61	\$61,118.61	\$0.00	
Pay App #7	10/20/2022	Yes	016256	11/10/2022	Landscape and Irrigation Contractor	\$179,201.14	\$179,201.14	\$0.00	
Pay App #8	11/20/2022	Yes	016271	12/10/2022	Landscape and Irrigation Contractor	\$156,198.08	\$156,198.08	\$0.00	
Subtotal Colorado DesignScapes, Inc - Schedule E - Landscape and Irrigation						\$396,517.83	\$396,517.83	\$0.00	
Total						\$1,358,115.81	\$1,358,115.81	\$0.00	

"District Eligible Expenses" is the amount being recommended for reimbursement from the District
"Non Eligible Expenses" is the difference between the Invoiced Amount and the District Portion
These amounts do not include interest

Attachment C

Project Photos

Prairie Center Metropolitan District Site Photos



S. 35th Ave Median Work In Progress



S. 35th Ave at Eagle Blvd Monumentation



Pedestrian Connection from Phase 4 to Phase 1B



S. 35th Avenue at Grey Owl Place



S. 35th Avenue Traffic Signage



Meandering Walks Along S. 35th Avenue



S. 35th Ave Walks and Walls



S. 35th Ave Entrance and Monument Scope

Prairie Center Metropolitan District No. 7 Cost Certification



Report #6
March 2023



1626 Cole Blvd, Suite 125
Lakewood, CO 80401

Prairie Center Metropolitan District No. 7 Cost Certification

Table of Contents

Cost Certification Report #6

Introduction	1
Governing Documents.....	1
Activities Conducted.....	1
Assumptions	2
Discussion.....	2
Summary Of Expenditures By Category And Service Plan Division.....	3
Field Investigation Results	3
Recommendation	3

Attachments

Attachment A - Vendor Participation.....	4
Attachment B - Expenditure Data	6
Attachment C – Project Photos	8

March 13, 2023

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

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 COST CERTIFICATION REPORT #6

INTRODUCTION

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

The expenditures for public improvements discussed in this report were paid for by the Developer and are being certified as District eligible in the amount of **\$728,423.83**. From that total, **\$203,399.99** are classified as District Public Improvements (DPI) and **\$525,023.84** are classified as Primary Public Improvements (PPI).

This report generally construction management, erosion control, grading, utilities, and roadway improvements in Filing 1.

GOVERNING DOCUMENTS

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

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

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

ACTIVITIES CONDUCTED

For this report, the following activities were performed:

- Governing documents provided by the District and the Developer were reviewed as the basis for recommendation for this report.
- Invoices provided by the Developer were reviewed. A summary was created and is attached as Attachment B.
- A site visit was conducted. Project improvements were photographed.
- Contact was made with Developer to verify knowledge of the work or services performed.
- Some contract unit items were compared to other projects constructed in the Denver Metropolitan Area.
- The plat was reviewed, and it appears improvements included in this report were (not) constructed on public property or easements.

ASSUMPTIONS

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

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

DISCUSSION

This report consists of expenditures provided between June of 2022 and January of 2023. The improvements reviewed are generally represented in Attachment B.

Vendor Participation

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

Review of Invoices and Summary of Expenditures

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

SUMMARY OF EXPENDITURES BY CATEGORY AND SERVICE PLAN DIVISION

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

Cost Certification Expenditures by Bond Category		
Category	Amount	Percent
<i>District Public Improvements (DPI)</i>		
Water	\$19,100.76	2.62%
Sanitary (inc. Storm)	\$57,270.43	7.86%
Street	\$120,789.95	16.58%
Parks and Rec	\$6,238.85	0.86%
<i>Primary Public Improvements (PPI)</i>		
Water	\$33,728.37	4.63%
Sanitary (inc. Storm)	\$65,422.77	8.98%
Street	\$140,573.78	19.30%
Parks and Rec	\$285,298.92	39.17%
Total	\$728,423.83	100.00%

FIELD INVESTIGATION RESULTS

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

RECOMMENDATION

In our professional opinion the expenditures for the improvements were reviewed and found to be reasonable. The costs of improvements are comparable to other similar projects in Colorado. At this time and based on the information provided, the Engineer certifies the expenditures provided by the Developer as District eligible expenditures as shown in Attachment B and subject to the level of review presented in this report. These expenditures are certified in the amount of **\$728,423.83**.

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

Respectfully Submitted,
Independent District Engineering Services, LLC


Stan Fowler, P.E.


Digitally signed by
Stanley E. Fowler
DN: cn=Stanley E. Fowler,
Date: 2023.03.13
11:48:01-0800

Attachment

Attachment A

Vendor Participation

Attachment A

Vendor Participation

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

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

RCD Construction General Contractor responsible for all phases of construction on site. Expenditures for improvements consisting of earthwork, site utilities, and concrete were reviewed in this report. Since RCD has a contract directly with the Developer for all private improvements, the entire scope reviewed in this report was eligible for public financing.

Attachment B

Expenditure Data

Attachment B
Prairie Center Metropolitan District No. 7

Engineer's Summary for Cost Certification 6

Invoice #	Invoice Date	Invoice Provided	Check #	Check Date	Description	Invoiced Amount	District Eligible Expenses	Non-Eligible Expenses	Notes
RCD Construction - Schedule A - Erosion Control and Grading									
Pay App #12	6/30/2022	Yes	016183	7/10/2022	Erosion Control and Grading	\$40,783.53	\$40,783.53	\$0.00	
Pay App #16	11/30/2022	Yes	016293	1/10/2023	Erosion Control and Grading - Retention Release	\$35,345.29	\$35,345.29	\$0.00	
Subtotal RCD Construction - Schedule A - Erosion Control and Grading						\$76,128.82	\$76,128.82	\$0.00	
RCD Construction - Schedule B - Utilities									
Pay App #12	6/30/2022	Yes	016182	7/10/2022	Utility Contractor	\$6,311.80	\$6,311.80	\$0.00	
Pay App #15	11/30/2022	Yes	016294	1/10/2023	Utility Contractor - Retention Release	\$177,368.36	\$171,109.50	\$6,258.86	Retainage for Non-Eligible Expenses are not Eligible
Subtotal RCD Construction - Schedule B - Utilities						\$183,680.16	\$177,421.30	\$6,258.86	
RCD Construction - Schedule D - Concrete									
Pay App #6	6/30/2022	Yes	016181	7/10/2022	Concrete Contractor	\$167,700.88	\$159,713.90	\$7,986.98	Taxes are Not Eligible
Pay App #12	11/30/2022	Yes	016292	1/10/2023	Concrete Contractor - Retention Release	\$48,131.67	\$47,464.42	\$667.25	Retainage for Non-Eligible Expenses are not Eligible
Subtotal RCD Construction - Schedule D - Concrete						\$215,832.55	\$207,178.32	\$8,654.23	
Colorado DesignScapes, Inc - Schedule E - Landscape and Irrigation									
Pay App #3	6/20/2022	Yes	016177	7/10/2022	Landscape and Irrigation Contractor	\$39,327.97	\$39,327.97	\$0.00	
Pay App #9	12/20/2022	Yes	016291	1/10/2023	Landscape and Irrigation Contractor	\$59,747.77	\$59,747.77	\$0.00	
Pay App #10	1/20/2023	Yes	016305	2/10/2023	Landscape and Irrigation Contractor	\$168,619.65	\$168,619.65	\$0.00	
Subtotal Colorado DesignScapes, Inc - Schedule E - Landscape and Irrigation						\$267,695.39	\$267,695.39	\$0.00	
Total						\$743,336.92	\$728,423.83	\$14,913.09	

"District Eligible Expenses" is the amount being recommended for reimbursement from the District
"Non Eligible Expenses" is the difference between the Invoiced Amount and the District Portion
These amounts do not include interest

Attachment C

Project Photos

Prairie Center Metropolitan District Site Photos



S. 35th Ave Median and Sidewalks



Irrigation Improvements



Pedestrian Connection from Phase 4 to Phase 1B



S. 35th Avenue at Grey Owl Place



S. 35th Avenue and Snowy Owl Place



Overall View Facing West



Entrance and Monument Sign



Entrance and Monument Sign

RESOLUTION 2023-06-01
RESOLUTION OF THE BOARD OF DIRECTORS OF
PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7

ADOPTING RULES AND REGULATIONS FOR
CONSTRUCTION ACTIVITY

WHEREAS, Prairie Center Metropolitan District No. 7 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado and operates pursuant to its First Amended and Restated Service Plan approved by the City of Brighton, Colorado, dated November 4, 2008 (as has been or may be amended or supplemented, the “**Service Plan**”); and

WHEREAS, pursuant to Section 32-1-1001(1)(m), C.R.S., the District has the power to adopt, amend and enforce bylaws and rules and regulations not in conflict with the constitution and laws of this state for carrying on the business, objects, and affairs of the board and of the special district; and

WHEREAS, the District has financed, and owns and maintains, certain public improvements, including, but not limited to, streets, sidewalks, lighting, landscaping, and irrigation systems within the District’s service area (collectively, the “**District Property**”; and

WHEREAS, attendant to its duties and obligations for the District Property, the District wishes to adopt rules and regulations to govern construction activity that impacts District Property.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7, CITY OF BRIGTON, COLORADO:

1. The Board hereby determines that it is in the best interests of the District and members of the public using the District Property to exercise the authority granted under the Service Plan to adopt the Rules and Regulations for Construction Activity attached hereto as **Exhibit A** and incorporated herein by this reference.
2. The District reserves the right, from time to time, to modify, amend or replace the Rules and Regulations.
3. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word hereof, or the application thereof in any given circumstance shall not affect the validity of the remainder of this Resolution.

**[SIGNATURE PAGE TO RESOLUTION ADOPTING RULES AND REGULATIONS
FOR CONSTRUCTION ACTIVITY]**

APPROVED AND ADOPTED this 8th day of June, 2023.

**PRAIRIE CENTER METROPOLITAN
DISTRICT NO. 7**

By: _____
President

Attest:

Secretary

EXHIBIT A

**Prairie Center Metropolitan District No. 7
Rules and Regulations for Construction Activity**

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
RULES AND REGULATIONS FOR CONSTRUCTION ACTIVITY
[Effective: June 8, 2023]

ARTICLE I . GENERAL

- 1.1 Applicability and Purpose. These Rules and Regulations for Construction Activity (“**Rules and Regulations**”) shall apply to any construction activity that impacts any District Property (defined below) and are enacted to provide funds necessary for the costs of administration, management, restoration or reconstruction of District Property impacted or damaged by construction activity, to reduce the damage to District Property, to protect the integrity of the District’s streets, sidewalks, landscaping, irrigation systems, and other public facilities, and to protect public safety. To achieve this purpose, it is necessary to establish procedures for permitting and prosecution of construction activities that impact District Property and to fix and collect fees and charges.
- 1.2 Definitions. Unless the context indicates otherwise, the meaning of the terms used in these Rules and Regulations shall be as follows:
- (a) Application for Construction Activity Permit means the application to request a Construction Activity Permit.
 - (b) Base Fee means the non-refundable fee for administrative, professional review and management incurred by the District as more specifically described in the Fee Schedule.
 - (c) City means the City of Brighton, Colorado.
 - (d) Construction Activity Permit means a permit issued by the District authorizing a Contractor to undertake construction work that will impact District Property as required by these Rules and Regulations.
 - (e) Contractor, as the term is used in these Rules and Regulations, shall mean the person or entity responsible for performing the Permitted Project work, if different than the Permittee.
 - (f) Designated Representative means the District Project Manager, District Manager, engineer, construction manager or such other person or entity as may be designated by the District Board from time to time.
 - (g) District means Prairie Center Metropolitan District No. 7.
 - (h) District Board means the Board of Directors of the District.
 - (i) District Manager means Special District Management Services, Inc., or such other person or entity as may be designated by the District Board from time to time.

- (j) District Property means any real or personal property within the District's service area that is owned, operated and/or maintained by the District, including, but not limited to, roadways, signage, lighting, sidewalks, landscaping, irrigation systems, or any portion thereof.
- (k) Fee Schedule means the Construction Activity Fee Schedule attached hereto as **Exhibit A** and incorporated herein by this reference, as may be supplemented or amended from time to time.
- (l) Permitted Project means a construction project for which a valid Construction Activity Permit has been issued by the District.
- (m) Permittee means the person or entity to which a Construction Activity Permit is issued.
- (n) Project Manager means Prairie Management, L.L.C., or such other person or entity as may be designated by the District from time to time.
- (o) Traffic Control Plan means the Permittee's plan, if required by the District, for improving traffic flow or safety, and parking of construction and employee vehicles during the term of the Permitted Project.
- (p) Violation means any non-compliance with these Rules and Regulations and/or the terms of the Construction Activity Permit.

1.3 Use of District Property. Non-compliance with the provisions of subsections (a)-(d) hereof shall constitute a Violation unless exceptions thereto are expressly authorized by the District in writing in the Construction Activity Permit or amendment thereto.

- (a) The Permittee shall not construct nor place any structure, building, fencing or signage, whether temporary or permanent, or plant or locate any trees, on any part of the District Property without having first obtained the prior written consent of the District. Any structure, building, fencing or signage, whether temporary or permanent, or any trees situated on District Property without such prior written consent may be removed by the District at the sole cost and expense of the Permittee without liability for damages arising therefrom. Except as authorized herein, no Permittee shall take any action or locate any improvements or landscaping features which would materially impair the functions of the District Property.
- (b) The Permittee is expressly prohibited from removing or making any modifications to any District Property.
- (c) Upon completion of any activities subject to a Construction Activity Permit which disturb District Property, the Permittee shall promptly restore or commence restoration (and diligently prosecute to completion) of the District Property at its sole cost and expense, to the condition it was in immediately prior to such disturbance, except as otherwise provided herein or as necessarily modified to

accommodate any approved facilities or improvements associated with the Permitted Project. In the event that the Permittee fails to restore or commence restoration within thirty (30) days, the District shall have the right to restore the District Property at the Permittee's sole cost and expense.

- (d) Except in the event of emergency, the Permittee shall provide written notice to the District Manager and the Designated Representative at least seventy-two (72) hours prior to the full or partial closure of any District Property including, but not limited to, streets and sidewalks, which notice shall specify the scope and duration of the anticipated closure as well as traffic control and safety measures during the closure to the extent not previously authorized in the Traffic Control Plan.

ARTICLE II CONSTRUCTION ACTIVITY PERMIT

- 2.1 Application for Permit. Any Contractor or other person or entity intending to design, plan, construct, reconstruct, or remodel any improvements that will impact any portion of the District Property shall contact the District Manager to obtain an Application for a Construction Activity Permit form.
- 2.2 Pre-application Meeting. Prior to the submittal of an Application for a Construction Activity Permit, the applicant shall meet with the Designated Representative to discuss the scope and location of the proposed construction activity, as well as the Base Fee and, if applicable the damage deposit, which must be delivered concurrently with submittal of the Application for Construction Activity Permit.
- 2.3 Construction Activity Permit. Upon receipt of the completed Application for Construction Activity Permit, the District Manager shall have thirty (30) days to review the application and approve the issuance of a Construction Activity Permit with or without conditions. The Construction Activity Permit shall be effective for thirty (30) days after issuance or other time period specified in the Construction Activity Permit. If work has not begun within such specified time, a new Construction Activity Permit must be secured.
- 2.4 Permit Fees. In addition to the Base Fee payable upon submittal of the Application for Construction Activity Permit and upon approval of any extension of the Construction Activity Permit, the Permittee may be assessed fees for testing and other site-specific activities as set forth on the Fee Schedule.
- 2.5 Preconstruction Meeting and Site Inspection. Prior to commencement of construction activity, the Permittee shall schedule with the Designated Representative a preconstruction meeting and site inspection with the Contractor to establish baseline conditions for the Permitted Project, review the Traffic Control Plan, and discuss any terms for mitigation of any impact to District Property. The Designated Representative may require attendance at the preconstruction meeting and/or site visit any or all of the following parties: Permittee, subcontractors, project design engineer and project design traffic engineer. Commencement of work prior to the preconstruction meeting and site visit shall constitute a Violation of the Construction Activity Permit.

- 2.6 Construction Standards. Except as otherwise specified herein, all work on District Property shall be conducted in accordance with the approved Construction Activity Permit and these Rules and Regulations, as well as any applicable state and federal laws. In the event of any conflict between the Construction Permit and the Rules and Regulations, the Rules and Regulations shall govern unless such deviations have been granted in the Construction Permit or otherwise approved in writing by the Designated Representative or District Board.
- 2.7 Refunds. The Base Fee is non-refundable; provided, however, the District may refund all or any portion of the Base Fee or other fees paid with respect to the Permitted Project, if the District cancels a permit or if such refund is otherwise approved by the District in its discretion. Refunds may be subject to an administrative fee.
- 2.8 Permit Amendment. A written amendment to the Construction Activity Permit signed by the District is required for any construction activities that were not contemplated at the time the Construction Activity Permit was originally issued by the District.
- 2.9 Permit Extension. The Permittee may request an extension of the duration of a Construction Activity Permit, provided that such request is submitted to the District Manager in writing no later than ten (10) calendar days prior to the expiration date of the Construction Activity Permit. Approval of an extension shall be documented on the Construction Activity Permit and require payment in the amount of the Base Fee for the extension period together with any additional fees that the District, in its discretion, may require.
- 2.10 Additional Conditions. Failure of the Permittee to comply with any of the following conditions shall constitute a Violation of the Construction Activity Permit.
- (a) The Contractor and any subcontractors performing work pursuant to the Construction Activity Permit must be appropriately licensed to perform that particular type of work.
 - (b) In accordance with Section 9-1.5-103, Colorado Revised Statutes, prior to undertaking any excavation activities, the Permittee shall notify the Utility Notification Center of Colorado and, if necessary, the tier two members having underground facilities in the excavation area. The Permittee is solely responsible for all utility locates and registration in accordance with these Rules and Regulations, and other applicable rules and regulations of the City.
 - (c) The Permittee, in performance of the work, must observe and comply with the provisions of any applicable City ordinances, and rules and regulations in effect at the time of construction and any state and federal laws which, in any manner, limit, control or apply thereto.
 - (d) The Permittee shall obtain and comply with all permits or licenses required by all jurisdictional entities to undertake and complete the Permitted Project.

- (e) The Permittee, Contractor, any subcontractors (which must be listed on the Application for Construction Activity Permit) and its agents, employees and consultants shall observe and comply with the Traffic Control Plan.
- (f) Unless otherwise authorized by the Designated Representative, work hours shall be limited to the hours set forth on the Construction Activity Permit and shall not be performed on any Saturday, Sunday or date which is designated as a holiday by the State of Colorado. Barricades, cones, signs or other vehicular or pedestrian traffic controls shall be taken out of service after designated working hours unless their use and application are required to ensure the safety of the traveling public. In such case, those controls shall be noted on the approved Traffic Control Plan.
- (g) The Permittee shall remove all rubbish and debris promptly as the work progresses, leaving the site and adjoining property in neat condition. Rubbish and debris will not be permitted to be placed in or on District Property.
- (h) The Permittee shall provide erosion and sedimentation controls.
- (i) Any other site-specific terms and conditions deemed to be necessary by the District, in its reasonable discretion, following review of the plans and specifications and any site inspection.

2.11 Damage Deposit. The District, in its discretion, may require a damage deposit in an amount of up to hundred percent (100%) of the total estimated replacement cost of all District Property impacted by the Permitted Project. Such damage deposit shall be due upon submittal of the Application for Construction Activity Permit. Upon completion of the Permitted Project, the Designated Representative shall conduct a post-construction inspection. If the Designated Representative finds no damage to District Property, the District will return the full amount of the damage deposit to the Permittee. If the Designated Representative finds damage to District Property, the District shall provide written notice to Permittee of such damage and may use the damage deposit to proceed with the required repairs. The District will return to the Permittee any amount of the damage deposit in excess of repair costs incurred by the District. The Permittee shall be liable to the District for any repair costs that exceed the amount of the damage deposit.

2.12 Right of Inspection. The District shall have a right to inspect at all times any construction activity that impacts District Property. The Designated Representative and District consultants shall be allowed reasonable access at all reasonable hours to any construction site to ensure compliance with these Rules and Regulations and the Construction Activity Permit. If the District determines that the work is not being performed in accordance with these Rules and Regulations and/or the Construction Activity Permit, the District shall have the right to order the work to cease until the District and the Permittee agree on a plan to remedy the non-compliance.

2.13 Initial Acceptance Process.

- (a) The Permittee or Contractor shall schedule with the Designated Representative a completion inspection to occur not less than seventy-two (72) hours in advance of

leaving the site after completion of the work. **All compaction testing must be certified by a professional geo-technical engineer; provided, however, that any geo-technical engineer engaged by the Permittee for this purpose must be pre-approved by the District.** Alternatively, the Permittee may elect to pay the actual costs incurred by the District to conduct such testing. Failure to schedule a completion inspection prior to leaving the site after completing the work shall constitute a Violation of these Rules and Regulations.

- (b) The Designated Representative shall provide a written inspection report with a punchlist of all deficiencies, if any, that must be corrected prior to initial acceptance of the work for completion under the Construction Activity Permit. The Permittee shall complete the punchlist within fifteen (15) business days thereafter, unless the Designated Representative grants written authorization for an extension of time, and schedule a follow-up inspection to occur not more than the earlier of (i) seven (7) calendar days after completion of the punchlist items or (ii) the expiration date of the Construction Activity Permit. Failure to complete the punchlist items to the satisfaction of the Designated Representative within the applicable period Designated Representative or to schedule a follow-up inspection within the time frame set forth herein shall constitute a Violation.
- (c) Upon determining that no punchlist items remain outstanding, the Designated Representative will sign and date the Construction Activity Permit to indicate initial acceptance of the Permitted Project, which date shall constitute commencement of the two-year warranty period and, if applicable, return to the Permittee the damage deposit less any amount thereof used to pay costs incurred by the District to repair or replace District Property.

2.14 Warranty; Warranty Bond. The Permittee shall guarantee any work located on District Property, or which the District will have any obligation to maintain, for a period of two (2) years after completion against defective workmanship and materials and shall keep the same in good order and repair. The Permittee is obligated at its sole expenses to repair or replace any portion of the work that the Designated Representative determines is defective and adversely impacts District Property during the warranty period. Unless otherwise expressly specified or waived by the District, the Permittee shall provide the district a warranty bond in a minimum amount of \$10,000. Such warranty bond shall be effective and available to the District through the entirety of the warranty period.

2.15 Warranty Inspection; Final Acceptance. The Designated Representative will send a notice of warranty inspection prior to the warranty expiration date. If no defects are identified during the warranty inspection, the District shall grant final acceptance of the work.

2.16 Mechanic's and Materialmen's Liens. As a condition of Construction Activity Permit issuance, the Permittee shall covenant and agree not to suffer or permit any lien of mechanics or materialmen or others to be placed against the District Property with respect to work or services claimed to have been performed for, or materials claimed to have been furnished to the Permittee. If any lien arises because of the Permittee's

construction, repair, restoration or maintenance work associated with the Permitted Project, the Permittee shall immediately take all steps to remove the lien, including, if necessary, the immediate posting of appropriate collateral or bond to remove the lien.

2.17 Violations.

- (a) Generally. If the District determines that a Violation has occurred, the District shall give the Permittee written notice of the Violation describing the Violation in form substantially as attached hereto and incorporated herein by this reference as **Exhibit B (“Notice of Violation”)**. The Permittee shall take such action as necessary to remedy the Violation within ten (10) business days unless an alternate time period is specified in the Notice of Violation. In the event the Permittee fails to take action to remedy the Violation within the specified time period, the District may pursue *any one or more* of the following remedies without further notice to Permittee:
- (i) Levy upon the Permittee an initial fine of \$1,000 and, if the Violation is not remedied to the satisfaction of the District by the deadline set forth in the Notice of Violation, an additional fine of \$100 per day until the Violation has been cured;
 - (ii) Cause the Violation to be cured and charge the cost thereof to the Permittee;
 - (iii) Revoke the Permittee’s Construction Activity Permit until assurance is received that the Construction Activity Permit terms and conditions will be complied with and that non-compliant work will be replaced to the satisfaction of the District; and/or
 - (iv) File a perpetual lien on the Permittee’s property, which lien may be foreclosed in the same manner as provided by the laws of Colorado for the foreclosure of mechanics’ liens.

2.18 Insurance. The Permittee must provide the District with certificates evidencing the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least “A:XIII” by A.M. Best Company.

- (a) Liability Insurance Coverage.
- (i) Workers’ Compensation Insurance. A Workers’ Compensation Insurance Policy 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, 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 Permittee'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. 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 above, 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. If required by the District, the Permittee 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 Permittee shall be solely responsible for the payment of all deductibles. Permittee's deductibles or Permittee's self-insured retentions shall be approved by the District.
- (b) Failure to Obtain and Obligation to Maintain Insurance. Permittee's failure to furnish and maintain insurance as required by these Rules and Regulations shall

constitute a Violation and may be cause to cancel the Construction Activity Permit. Except as otherwise expressly provided herein, all required insurance policies shall be kept in full force and effect until the date of final acceptance of the Permitted Project. Notwithstanding anything to the contrary contained herein, 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 Permittee under or pursuant to the Construction Activity Permit.

- (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 Permittee from any obligations, responsibilities or liabilities under the Rules and Regulations or the Construction Activity Permit.

EXHIBIT A

CONSTRUCTION ACTIVITY PERMIT FEE SCHEDULE

Base Fee	
Payable at submittal of Application for Construction Activity Permit and approval of any extension of Construction Activity Permit. Covers District costs for project and plan review, Designated Representative fee, tenant notifications, inspections, construction/maintenance oversight, materials storage, etc.	\$3,000 plus \$100/day for the term of the Construction Activity Permit
Additional Fees	
To be assessed and paid on a project/site-specific basis	
Geo-tech Compaction Testing Fee, if the Permittee elects to have the District perform testing	Actual Cost
Lane Closure Fee	\$500/day
Sidewalk Closure Fee	\$100/day

[Effective Date: 6/08/23]

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
CONSTRUCTION ACTIVITY PERMIT**

APPLICATION FOR CONSTRUCTION ACTIVITY PERMIT TO BE COMPLETED BY APPLICANT	
Applicant Name:	Date:
Permittee (if different from Applicant):	
Address:	
Telephone:	Email:
24-Hr. Contact Name:	Telephone:
Party Responsible for Payment:	Telephone:
Permitted Project Address:	
Permitted Project Cross Streets:	
Estimated Costs of Horizontal Site Work:	
<p>The following items must be included when submitting this Application:</p> <ul style="list-style-type: none"><input type="checkbox"/> Certificate of Good Standing for Permittee from the Colorado Secretary of State<input type="checkbox"/> Name and license number(s) for Contractor and any subcontractors<input type="checkbox"/> Sketch or Site Plan<input type="checkbox"/> Traffic Control Plan, including detour plan, if applicable<input type="checkbox"/> Description of Permitted Project, including plans and specifications and, as applicable:<ul style="list-style-type: none">✓ General description of maintenance activity (no surface or ground disturbance)✓ General description of construction activity✓ Type of backfill material (e.g., flowfill, flashfill, Class 6 roadbase, native)✓ Length and width of pavement cut(s)✓ Length and width of excavation area(s)✓ Length and width of concrete removal(s)✓ Number of potholes✓ Infrared patching?✓ Mill and overlay street for pavement restoration?<input type="checkbox"/> Construction schedule<input type="checkbox"/> List of required permits and licenses required by all governmental entities with jurisdiction over the work constituting the Permitted Project<input type="checkbox"/> Certificates evidencing that Permittee has obtained the insurance coverages required by the District's Rules and Regulations for Construction Activity<input type="checkbox"/> Non-refundable Base Fee<input type="checkbox"/> Damage Deposit, if required<input type="checkbox"/> Surety Bond, if required<input type="checkbox"/> Warranty Bond <p>Documents attached to this Application as approved by the District shall constitute material terms of the Construction Activity Permit to which the Permittee shall be bound unless otherwise agreed in writing by the District pursuant to an amendment to the Construction Activity Permit.</p>	

By signing below the applicant acknowledges that it has reviewed the District's Rules and Regulations for Construction Activity and agrees to comply with the provisions thereof and with the terms of the approved Construction Activity Permit.

The Permittee acknowledges and 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 Permittee and/or its agents, representatives, subcontractors, or suppliers in its performance under the Construction Activity Permit.

The Permittee further acknowledges and agrees, neither the District's approval of the Construction Activity Permit, including any amendments or modifications, nor any term or condition of the Rules and Regulations 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.

Permittee Representative

Signature: _____
 Print name: _____
 Title _____

FOR DISTRICT USE ONLY

The following must be delivered upon submittal of Application.

- Non-refundable Base Fee: \$ _____
- Damage Deposit: \$ _____
- Form and amount of surety: _____
- Warranty Bond: \$ _____ (in effect until expiration of the 2-year warranty period)
- Other (describe): _____

Work shall be limited to Monday-Friday from _____ a.m. to _____ p.m.

Modifications to Application/Special Conditions:

As evidenced by the signature of the District below the Application, including the conditions and modifications set forth above, shall constitute the Construction Activity Permit for the Permitted Project.

Permit Approval/Issuance Date:	Permit Expiration Date:
	District Signature:
Extended Expiration Date:	District Signature:
Initial Acceptance Date (2-year warranty begins):	District Signature:
Final Acceptance Date:	District Signature:

