

## 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 SPECIAL MEETING AND AGENDA**

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Michael Tamblyn	President	2018/May 2018
Mark A. Waggoner	Vice President/Treasurer	2020/May 2020
<i>VACANT</i>		2020/May 2018
<i>VACANT</i>		2018/May 2018
<i>VACANT</i>		2018/May 2018
Ann E. Finn	Secretary	

DATE: April 4, 2018

TIME: **3:00 P.M.**

PLACE: Kacey Building  
1201 Auraria Pkwy  
Denver, Colorado

#### I. ADMINISTRATIVE MATTERS

- A. Present Disclosures of Potential Conflict of Interest.
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- B. Approve Agenda, confirm location of the meeting and posting of meeting notices.
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- 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 December 6, 2017 regular meeting and the December 19, 2017 special meeting (enclosures).
- Ratify approval of payment of claims for the period beginning February 1, 2018 through March 31, 2018 totaling \$258,290.78 (enclosure).
- Ratify approval and execution of Application for Exemption from Audit for 2017 (enclosures).
- Ratify adoption of Resolution and IGA to obtain insurance coverage through the “Pool” and join the Special District Association (enclosures).
- Approve Pay Application No. 1 from Rocky Mountain Excavating, Inc., in the amount of \$10,687.50 and CO No. 1 in the amount of \$5,995.50 (enclosure).

- Approve Pay Application No. 1 from Bemas Construction, Inc., in the amount of \$126,510.93 and CO No. A1 for a deduction of <\$412,322.20> and CO No. A2 for the amount of \$63,920.00 (enclosure).
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## II. LEGAL MATTERS

- A. Discuss and consider rescinding adoption of Resolution No. 2017-05-01, Resolution for Inclusion of Real Property (relating to 141.056 acres of property owned by THF Prairie Center Development, L.L.C.).
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- B. Conduct Public Hearing to consider inclusion of approximately 87.111 acres of property owned by GKT Brighton Residential Development, L.L.C. and consider adoption of Resolution No. 2018-04-\_\_, Resolution for Inclusion of Real Property (enclosures – Petition and Resolution).
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- C. Discuss imposition of Rules and Regulations for Construction Activities.
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- D. Ratify approval of Funding, Acquisition and Reimbursement Agreement between the District and GKT Brighton Residential, L.L.C., effective October 1, 2017 (enclosure).
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- E. Ratify approval of Project Management Agreement between the District and GKT Brighton Residential, L.L.C., effective October 1, 2017 (enclosure).
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- F. Ratify approval of Construction Management Agreement between the District and R.G. Brinkmann Company, dated December 19, 2017 and effective January 29, 2018 (to be distributed at meeting).
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- G. Ratify approval of Master Service Agreement for District Engineering Services between the District and Redland Consulting Group, Inc., effective October 1, 2017 (to be distributed at meeting).
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- H. Ratify approval of Master Service Agreement for Professional Design Services between the District and DTJ Design, Inc., effective January \_\_, 2018 (to be distributed at meeting).

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- I. Ratify approval of Master Service Agreement for Subgrade Investigation and Pavement Design and Construction Observation and Materials Testing between the District and CTL/Thompson, Inc., effective October 1, 2017 (to be distributed at meeting).

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  - 1. Ratify approval of Task Order No. 1 for Prairie Center Village I Subdivision Filing No. 1; Grading/Subexcavation (Phase 310), in an amount not to exceed \$12,749 (to be distributed at meeting).

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- J. Ratify approval of Master Service Agreement for Surveying Services between the District and Aztec Consulting Inc., effective January \_\_, 2018 (to be distributed at meeting).

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- K. Ratify approval of Construction License Agreement between the District and GKT Brighton Residential, L.L.C. (enclosure).

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- L. Discuss and consider approval of Fee Collection Intergovernmental Agreement between Prairie Center Metropolitan District No. 3 and Prairie Center Metropolitan District No. 7 (to be distributed at meeting).

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### III. CAPITAL MATTERS

- A. Project Status Report for the Prairie Center Village I Phase IA and IB Improvements:
  - 1. Construction Contract with Bemas Construction:

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  - 2. Construction Contract with Scott Contracting:

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3. Construction Contract with ESCO Construction Company:

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4. Construction Contract with Rocky Mountain Excavating:

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5. Construction Contract with Colorado Designscares, Inc.:

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- B. Ratify approval of Assignment Agreements – Prairie Center Village I Phase I Schedule A between Prairie Center Metropolitan District No. 3 and Prairie Center Metropolitan District No. 7, as consented to by (enclosures):

1. Bemas Construction, Inc.
2. ESCO Construction Co.
3. Rocky Mountain Excavating, Inc.
4. Scott Contracting, Inc.
5. Colorado Designscares, Inc.

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#### IV. OTHER BUSINESS

- A. 

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- V. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR AUGUST 1, 2018.**

## RECORD OF PROCEEDINGS

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**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER  
METROPOLITAN DISTRICT NO. 7 (the "District")  
HELD  
DECEMBER 6, 2017**

A regular meeting of the Board of Directors of the Prairie Center Metropolitan District No. 7 (referred to hereafter as "Board") was convened on Wednesday, the 6th day of December, 2017, at 4:00 P.M., at the Kacey Building, 1201 Auraria Parkway, Denver, Colorado. The meeting was open to the public.

### **ATTENDANCE**

#### **Directors In Attendance Were:**

Michael Tamblyn  
Mark A. Waggoner

#### **Also In Attendance Were:**

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

Kathy Kanda, Esq. and Erin Exley, Esq.; McGeady Becher P.C.

Thuy Dam; CliftonLarsonAllen LLP

### **DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST**

**Disclosures of Potential Conflicts of Interest:** The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. Ms. Finn noted that a quorum was present and requested members of the Board to 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 all Directors' Disclosure Statements have been filed and no additional conflicts were disclosed.

### **ADMINISTRATIVE MATTERS**

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

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

## RECORD OF PROCEEDINGS

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**Approval of Meeting Location:** 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. Following discussion, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries, or within the County the District is located or within 20 miles of its boundaries, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxing electors within its boundaries.

**Management Agreement between Prairie Center Metropolitan District No. 7 and Special District Management Services, Inc.:** Ms. Finn Reviewed with the Board a Management Agreement between Prairie Center Metropolitan District No. 7 and Special District Management Services, Inc. Ms. Finn noted that the District will be billed on a time and materials basis and not a flat rate.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the Management Agreement between Prairie Center Metropolitan District No. 7 and Special District Management Services, Inc.

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### **CONSENT AGENDA**

The Board considered the following actions:

- Approve Minutes of the August 2, 2017 regular meeting and the September 25, 2017 special meeting.
- Consider regular meeting dates for 2018 on the first Wednesday in April, August and December 2018 at 4:00 p.m., at the Kacey Building, 1201 Auraria Parkway, Denver, Colorado. Review and consider adoption of Resolution No. 2017-12-01; Resolution Establishing Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72 Hour and 24 Hour Notices.
- Consider adoption of Resolution No. 2017-12-02; Resolution Calling a Regular Election for Directors on May 8, 2018, appointing the Designated Election Official ("DEO"), and authorizing the DEO to perform all tasks required for the conduct of a polling place or mail ballot election. Self-Nomination forms are due by March 2, 2018. Discuss the need for ballot issues and/or questions.

## RECORD OF PROCEEDINGS

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- Ratify adoption Amended and Restated Joint Resolution of Prairie Center Metropolitan District Nos. 1, 2, 4, 5, 6, 7, 8, 9 & 10 Regarding Public Improvements Fee Revenues.
- Authorize District Manager to mail transparency notice to property owners pursuant to Section 32-1-809, C.R.S.
- Authorize CliftonLarsonAllen, LLP to prepare the Application for Exemption from Audit for 2017 and file the application with the State Auditor.

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

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### **FINANCIAL MATTERS**

**2017 Budget Amendment Hearing:** The President opened the public hearing to consider the Resolution to Amend the 2017 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2017 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. There were no comments from the public in attendance and the public hearing was closed.

Following discussion, the Board determined that a 2017 Budget Amendment was not needed.

**2018 Budget:** The President opened the public hearing to consider the proposed 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2018 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 2017 expenditures and the proposed 2018 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2017-12-03 to Adopt the 2018 Budget and Appropriate Sums of Money and Resolution

## RECORD OF PROCEEDINGS

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No. 2017-12-04 to Set Mill Levies, (for the General Fund at 11.055 mills and Debt Service Fund at 44.222 mills for a total mill levy of 55.277 mills). Upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, Resolution Nos. 2017-12-03 and 2017-12-04 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, 2017 The District Accountant was directed to transmit the Certification of Mill Levies to the Board of County Commissioners of the Adams County and the Division of Local Government, not later than December 15, 2017 The District Accountant was also directed to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2018. Copies of the adopted Resolutions are attached to these Minutes and incorporated herein by this reference.

**Second Amendment to Construction Management Agreement between the District and R. G. Brinkman Company:** The Board discussed a possible Second Amendment to the Construction Management Agreement between the District and R. G. Brinkman Company. Following discussion, the Board deferred action on this matter.

**Resolution Authorizing the Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3:** The Board discussed Resolution No. 2017-12-05; Authorizing the Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board adopted Resolution No. 2017-12-05; Authorizing the Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

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

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

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## RECORD OF PROCEEDINGS

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### LEGAL MATTERS

**Prairie Center Village I Subdivision Filing No. 1 Development Agreement by and among the District, the City of Brighton, Colorado, and GKT Brighton Residential Development, L.L.C.**: Attorney Kanda reviewed with the Board the Prairie Center Village I Subdivision Filing No. 1 Development Agreement by and among the District, the City of Brighton, Colorado, and GKT Brighton Residential Development, L.L.C.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the Prairie Center Village I Subdivision Filing No. 1 Development Agreement by and among the District, the City of Brighton, Colorado, and GKT Brighton Residential Development, L.L.C.

### ADJOURNMENT

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

Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL DECEMBER 6, 2017  
MINUTES OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 BY  
THE BOARD OF DIRECTORS SIGNING BELOW:

\_\_\_\_\_  
Mike Tamblyn

\_\_\_\_\_  
Mark A. Waggoner

**RESOLUTION NO. 2017-12-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
ESTABLISHING REGULAR MEETING DATES, TIME AND LOCATION, AND  
DESIGNATING LOCATIONS FOR POSTING OF 72-HOUR AND 24-HOUR NOTICES**

- A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.
- B. Pursuant to Section 24-6-402(2)(c), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the place at which notice will be posted at least 24 hours prior to each meeting.
- C. Pursuant to Section 32-1-903, C.R.S., special districts are required to post notices of regular and special meetings at three (3) public places within the district and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting.
- D. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.
- E. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

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

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.
2. That the Board of Directors (the "**District Board**") has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the Directors and consultants of the District in that they live and/or work outside the twenty (20) mile radius requirement.
3. That regular meetings of the District Board of the Prairie Center Metropolitan District No. 3 for the year 2018 shall be held on April 4, 2018, August 1, 2018 and December 5, 2018 at 4:00 p.m., at the Kacey Building, 1201 Auraria Parkway, Denver, Colorado.
4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each Director.

5. That, until circumstances change and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

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

7. Notice of Meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

- (a) At the Southwest corner of 144<sup>th</sup> Avenue and South 27<sup>th</sup> Avenue
- (b) At the Northwest corner of 144<sup>th</sup> Avenue and South 27<sup>th</sup> Avenue

8. Notices of regular and special meetings required to be posted at three (3) public places within the District and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting shall be made pursuant to Section 32-1-903, C.R.S.

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

RESOLUTION APPROVED AND ADOPTED on December 6, 2017.

**PRAIRIE CENTER METROPOLITAN DISTRICT  
NO. 7**

By: \_\_\_\_\_

President

Attest:

\_\_\_\_\_  
Secretary

RESOLUTION NO. 2017-12- 02

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
CALLING A REGULAR ELECTION FOR DIRECTORS  
ON MAY 8, 2018 (THE "ELECTION")**

A. The term of the office of Director Michael Tamblyn shall expire upon the election of his successor at the regular election, to be held on May 8, 2018, and upon such successor taking office.

B. Three (3) vacancies currently exist on the Board of Directors of the District.

C. In accordance with the provisions of the Special District Act ("Act") and the Uniform Election Code ("Code"), the Election must be conducted to elect one (1) Director to serve until the next regular election, to occur May 5, 2020, and three (3) Directors to serve until the second regular election, to occur May 3, 2022.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Prairie Center Metropolitan District No. 7 (the "**District**") of Adams County, Colorado:

1. Date and Time of Election. The Election shall be held on May 8, 2018, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, one (1) Director shall be elected to serve until the next regular election, to occur May 5, 2020, and three (3) Directors shall be elected to serve until the second regular election, to occur May 3, 2022.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. Ann E. Finn shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, 141 Union Blvd., Suite 150, Lakewood, CO 80228, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (May 1, 2018).

6. Self-Nomination and Acceptance Forms. Self-nomination and acceptance forms are available at the office of the Designated Election Official located at the above address. All candidates must file a self-nomination and acceptance form with the Designated Election Official no earlier than January 1, 2018 and no later than the close of business on March 2, 2018.

7. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at the close of business on March 6, 2018 or at any time thereafter, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

8. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.


9. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

10. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

RESOLUTION APPROVED AND ADOPTED on December 6, 2017.

**PRAIRIE CENTER METROPOLITAN DISTRICT  
NO. 7**

By:   
\_\_\_\_\_  
President

Attest:  
  
\_\_\_\_\_  
Secretary

RESOLUTION NO. 2017 - 12 - 03  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
TO ADOPT THE 2018 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Prairie Center Metropolitan District No. 7 ("District") has appointed the District Accountant to prepare and submit a proposed 2018 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2017, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 6, 2017, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

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

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

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

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

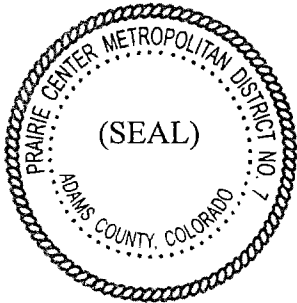
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Prairie Center Metropolitan District No. 7:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Prairie Center Metropolitan District No. 7 for the 2018 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

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

ADOPTED this 6<sup>th</sup> day of December, 2017.



A handwritten signature in black ink, consisting of stylized letters, positioned above a horizontal line.

Secretary



EXHIBIT A  
(Budget)



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
www.CLAconnect.com

**Accountant's Compilation Report**

Board of Directors  
Prairie Center Metropolitan District No. 7  
Adams County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Prairie Center Metropolitan District No. 7 for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, and the actual comparative information for the year ending December 31, 2016, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

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

We are not independent with respect to Prairie Center Metropolitan District No. 7.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 2, 2018



An independent member of Nexia International

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**SUMMARY**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/2/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	-	-	1
2 Developer advance	-	-	120,000
Total revenues	-	-	120,001
Total funds available	-	-	120,001
EXPENDITURES			
3 General and administration			
4 Accounting	-	-	30,000
5 District management	-	-	30,000
6 Legal	-	-	50,000
7 Miscellaneous	-	-	10,000
8 Debt service			
9 Contingency	-	-	1
Total expenditures	-	-	120,001
Total expenditures and transfers out requiring appropriation	-	-	120,001
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**PROPERTY TAX SUMMARY INFORMATION**  
For the Years Ended and Ending December 31,

1/2/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
<b>ASSESSED VALUATION - ADAMS</b>			
Vacant Land	\$ 10	\$ 10	\$ 20
Certified Assessed Value	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 20</u>
<b>MILL LEVY</b>			
GENERAL FUND	-	-	11.055
DEBT SERVICE FUND	-	-	44.222
Total Mill Levy	<u>-</u>	<u>-</u>	<u>55.277</u>
<b>PROPERTY TAXES</b>			
DEBT SERVICE FUND	\$ -	\$ -	\$ 1
Budgeted Property Taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>
<b>BUDGETED PROPERTY TAXES</b>			
DEBT SERVICE FUND	\$ -	\$ -	\$ 1
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**GENERAL FUND**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/2/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Developer advance	-	-	120,000
Total revenues	-	-	120,000
Total funds available	-	-	120,000
EXPENDITURES			
General and administration			
2 Accounting	-	-	30,000
3 District management	-	-	30,000
4 Legal	-	-	50,000
5 Miscellaneous	-	-	10,000
Total expenditures	-	-	120,000
Total expenditures and transfers out requiring appropriation	-	-	120,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**DEBT SERVICE FUND**  
**FORECASTED 2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/2/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	-	-	1
Total revenues	-	-	1
Total funds available	-	-	1
EXPENDITURES			
Debt service			
2 Contingency	-	-	1
Total expenditures	-	-	1
Total expenditures and transfers out requiring appropriation	-	-	1
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**2018 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

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

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

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

The Service Plans for District Nos. 2 – 10 limit the aggregate amount of debt that they may issue together with any debt issued by District No. 1 to \$750,000,000.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105.

**Revenues**

**Developer Advances**

The District general and administrative expenditures are expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**Property Taxes**

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

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

The change in assessment ratio from 7.96% to 7.2% allows the District to adjust its mill levy to offset the decrease in revenues. Accordingly, the District adjusted its mill levy to 11.055 for operations and 44.222 for debt service.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**2018 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**General and Administrative Expenditures**

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

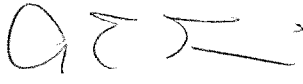
**Debt and Leases**

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

**This information is an integral part of the accompanying budget.**



I, Ann E. Finn, hereby certify that I am the duly appointed Secretary of the Prairie Center Metropolitan District No. 7, and that the foregoing is a true and correct copy of the budget for the budget year 2018, duly adopted at a meeting of the Board of Directors of the Prairie Center Metropolitan District No. 7 held on December 6, 2017.

By:   
Secretary

RESOLUTION NO. 2017 - 12 - 04  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Prairie Center Metropolitan District No. 7 (“District”) has adopted the 2018 annual budget in accordance with the Local Government Budget Law on December 6, 2017; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2018 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

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

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

1. That for the purposes of meeting all general fund expenses of the District during the 2018 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

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

ADOPTED this 6<sup>th</sup> day of December, 2017.

Q25—

Secretary



**EXHIBIT A**  
(Certification of Tax Levies)

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**TO: County Commissioners<sup>1</sup> of Adams County, Colorado.On behalf of the Prairie Center Metropolitan District No. 7,(taxing entity)<sup>A</sup>the Board of Directors(governing body)<sup>B</sup>of the Prairie Center Metropolitan District No. 7(local government)<sup>C</sup>**Hereby** officially certifies the following millsto be levied against the taxing entity's GROSS \$ 20

assessed valuation of:

(GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)**Note:** If the assessor certified a NET assessed valuation

(AV) different than the GROSS AV due to a Tax

Increment Financing (TIF) Area<sup>F</sup> the tax levies must be \$ 20

calculated using the NET AV. The taxing entity's total

property tax revenue will be derived from the mill levy

multiplied against the NET assessed valuation of:

(NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED  
BY ASSESSOR NO LATER THAN DECEMBER 10****Submitted:**12/06/2017

for budget/fiscal year

2018

(no later than Dec. 15)

(mm/dd/yyyy)

(yyyy)

**PURPOSE** (see end notes for definitions and examples)**LEVY<sup>2</sup>****REVENUE<sup>2</sup>**1. General Operating Expenses<sup>H</sup>11.055

mills

\$

02. <Minus> Temporary General Property Tax Credit/  
Temporary Mill Levy Rate Reduction<sup>I</sup>

&lt;

&gt;

mills

\$

&lt;

&gt;

**SUBTOTAL FOR GENERAL OPERATING:**11.055

mills

\$

03. General Obligation Bonds and Interest<sup>J</sup>44.222

mills

\$

14. Contractual Obligations<sup>K</sup>

mills

\$

5. Capital Expenditures<sup>L</sup>

mills

\$

6. Refunds/Abatements<sup>M</sup>

mills

\$

7. Other<sup>N</sup> (specify):

mills

\$

mills

\$

**TOTAL:** [Sum of General Operating  
Subtotal and Lines 3 to 7]55.277

mills

\$

1Contact person:  
(print)Christine Harwell

Daytime

phone:

(303) 779-5710

Signed:

Christine Harwell

Title:

Accountant for the District*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

## CERTIFICATION OF TAX LEVIES, continued

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

1. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_
2. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

**CONTRACTS<sup>K</sup>:**

3. Purpose of Contract: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_
4. Purpose of Contract: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

## RECORD OF PROCEEDINGS

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**MINUTES OF A SPECIAL MEETING OF  
THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER  
METROPOLITAN DISTRICT NO. 7 (the "District")  
HELD  
DECEMBER 19, 2017**

A special meeting of the Board of Directors of the Prairie Center Metropolitan District No. 7 (referred to hereafter as "Board") was convened on Tuesday, the 19th day of December, 2017, at 3:00 P.M., at the Kacey Building, 1201 Auraria Parkway, Denver, Colorado. The meeting was open to the public.

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### **ATTENDANCE**

#### **Directors In Attendance Were:**

Michael Tamblyn  
Mark A. Waggoner

#### **Also In Attendance Were:**

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

Erin Exley, Esq. and Lindsay Walton, Esq.; McGeady Becher P.C. (via speakerphone)

Thuy Dam; CliftonLarsonAllen LLP (via speakerphone)

Rick Rome; Redland Consulting Group Inc.

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### **DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST**

**Disclosures of Potential Conflicts of Interest:** The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. Ms. Finn noted that a quorum was present and requested members of the Board to 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 Exley that all Directors' Disclosure Statements have been filed and no additional conflicts were disclosed.

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### **ADMINISTRATIVE MATTERS**

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

## RECORD OF PROCEEDINGS

---

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

**Approval of Meeting Location:** 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. Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board determined to conduct the meeting within 20 miles of its boundaries at the above stated location. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

**Bank Account:** The Board discussed opening a checking account for the District.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board authorized the District Accountant to establish a checking account for the District.

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### **LEGAL MATTERS**

**Funding, Acquisition and Reimbursement Agreement between the District and GKT Brighton Residential, L.L.C., effective October 1, 2017:** Attorney Exley discussed with the Board the Funding, Acquisition and Reimbursement Agreement between the District and GKT Brighton Residential, L.L.C., effective October 1, 2017.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the Funding, Acquisition and Reimbursement Agreement between the District and GKT Brighton Residential, L.L.C., effective October 1, 2017, in form substantially as presented at the meeting, and authorized District Counsel and the Board President to make technical corrections and revisions to the extent not inconsistent with the terms thereof.

**Resolution Approving Appointment of Construction Representative:** Attorney Exley reviewed with the Board Resolution No. 2017-12-06; Resolution Approving Appointment of Construction Representative.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board adopted

## RECORD OF PROCEEDINGS

---

Resolution No. 2017-12-06; Resolution Approving Appointment of Construction Representative.

**Notice of Termination of Facilities Funding, Construction and Operations Agreement among Prairie Center Metropolitan District Nos. 2-10 (terminating Prairie Center Metropolitan District No. 7 as a party):** Attorney Exley reviewed with the Board a Notice of Termination of Facilities Funding, Construction and Operations Agreement among Prairie Center Metropolitan District Nos. 2-10 (terminating Prairie Center Metropolitan District No. 7 as a party).

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the Notice of Termination of Facilities Funding, Construction and Operations Agreement among Prairie Center Metropolitan District Nos. 2-10 (terminating Prairie Center Metropolitan District No. 7 as a party).

**Temporary Construction Easement Agreement between the District and GKT Brighton Residential, L.L.C.:** Attorney Exley reviewed with the Board a Temporary Construction Easement Agreement between the District and GKT Brighton Residential, L.L.C.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved the Temporary Construction Easement Agreement between the District and GKT Brighton Residential, L.L.C., in form substantially as presented at the meeting, and authorized District Counsel and the Board President to make technical corrections and revisions to the extent not inconsistent with the terms thereof.

**Construction Management Agreement between the District and R.G. Brinkmann Company, effective October 1, 2017:** Attorney Exley reviewed with the Board a Construction Management Agreement between the District and R.G. Brinkmann Company, effective October 1, 2017.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved the Construction Management Agreement between the District and R.G. Brinkmann Company, effective October 1, 2017, in form substantially as presented at the meeting, and authorized District Counsel and the Board President to make technical corrections and revisions to the extent not inconsistent with the terms thereof.



## RECORD OF PROCEEDINGS

---

**Master Service Agreement for District Engineering Services between the District and Redland Consulting Group, Inc., effective October 1, 2017:**

Attorney Exley reviewed with the Board a Master Service Agreement for District Engineering Services between the District and Redland Consulting Group, Inc., effective October 1, 2017.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved the Master Service Agreement for District Engineering Services between the District and Redland Consulting Group, Inc., effective October 1, 2017, in form substantially as presented at the meeting, and authorized District Counsel and the Board President to make technical corrections and revisions to the extent not inconsistent with the terms thereof.

*Task Order No. 1 for Village I, Phase I Engineering:* The Board reviewed Task Order No. 1 for Village I, Phase I Engineering.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved Task Order No. 1 for Village I, Phase I Engineering, in form substantially as presented at the meeting, and authorized District Counsel and the Board President to make technical corrections and revisions to the extent not inconsistent with the terms thereof.

**Service Agreement between the District and DTJ Design, Inc., effective October 1, 2017:** Attorney Exley reviewed with the Board a Service Agreement between the District and DTJ Design, Inc., effective October 1, 2017.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the Service Agreement between the District and DTJ Design, Inc., effective October 1, 2017, in form substantially as presented at the meeting, and authorized District Counsel and the Board President to make technical corrections and revisions to the extent not inconsistent with the terms thereof.

**Service Agreement between the District and CTL Thompson, Inc., effective October 1, 2017:** Attorney Exley reviewed with the Board a Service Agreement between the District and CTL Thompson, Inc., effective October 1, 2017.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the Service Agreement between the District and CTL Thompson, Inc., effective

## RECORD OF PROCEEDINGS

---

October 1, 2017, in form substantially as presented at the meeting, and authorized District Counsel and the Board President to make technical corrections and revisions to the extent not inconsistent with the terms thereof.

**Service Agreement between the District and Aztec Consulting Inc., effective October 1, 2017:** Attorney Exley reviewed with the Board a Service Agreement between the District and Aztec Consulting Inc., effective October 1, 2017.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Waggoner and, upon vote, unanimously carried, the Board approved the Service Agreement between the District and Aztec Consulting Inc., effective October 1, 2017, in form substantially as presented at the meeting, and authorized District Counsel and the Board President to make technical corrections and revisions to the extent not inconsistent with the terms thereof.

### **CAPITAL MATTERS**

**Prairie Center Village I Phase IA and IB Improvements:** *Authorize the issuance of Notices of Award, and consider approval of Assignment Agreement pursuant to which Prairie Center Metropolitan District No. 3 will assign, and Prairie Center Metropolitan District No. 7 will accept, the following agreements:*

- Construction Contract with Bemas Construction for \$598,060.56.
  - a. Change Order No. 1 in the amount of \$474,717.
  - b. Change Order No. 2 in the amount of \$982,777.56.
- Construction Contract with Scott Contracting for \$508,442.16.
  - a. Change Order No. 1 in the amount of \$25,800.00.
- Construction Contract with ESCO Construction Company for \$1,575,415.96.
  - a. Change Order No. 1 in the amount of \$19,756.08
- Construction Contract with Rocky Mountain Excavating for \$811,935.10.
  - a. Change Order No. 1 in the amount of \$5,995.50.
- Construction Contract with Colorado DesignScapes, Inc. for \$1,591,452.00.
  - a. Change Order No. 1 in the amount of 15,513.00.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved the Assignment Agreement pursuant to which Prairie Center Metropolitan District No. 3 will assign, and Prairie Center Metropolitan District No. 7 will accept the above mentioned agreements, in form substantially as presented at the meeting, and authorized District Counsel and the Board President to make technical corrections and revisions to the extent not inconsistent with the terms thereof.

## RECORD OF PROCEEDINGS

---

Notice of Award/Notice to Proceed: Following discussion, upon motion duly made by Director Waggoner, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board authorized the Notice of Award and Notice to Proceed for the Construction contracts, contingent upon the City of Brighton's approval.

### ADJOURNMENT

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

Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL DECEMBER 19, 2017  
MINUTES OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 BY  
THE BOARD OF DIRECTORS SIGNING BELOW:

\_\_\_\_\_  
Mike Tamblyn

\_\_\_\_\_  
Mark A. Waggoner

STC Metropolitan District #2  
Financial Statements

February 28, 2018

RESOLUTION NO. 2017-12- 06

**RESOLUTION OF THE BOARD OF DIRECTORS OF PRAIRIE CENTER  
METROPOLITAN DISTRICT NO. 7 APPROVING APPOINTMENT OF  
CONSTRUCTION REPRESENTATIVE**

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

B. The District is authorized to enter into contracts and agreements affecting the affairs of the District, including those certain contracts and agreements related to the construction of major infrastructure improvements such as streets, traffic and safety controls, water, sewer and storm drainage, transportation, and parks and recreation facilities (the “**District Improvements**”).

C. It is in the best interest of the District and its inhabitants that work performed pursuant to those certain construction-related contracts and agreements (the “**Construction Work**”) proceeds in a timely and orderly manner.

D. In order to avoid unreasonable delay in the orderly and sequential progress of the Construction Work, the District wishes to designate a representative authorized to act on the District’s behalf with respect to the Construction Work (“**Construction Representative**”).

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

1. The Board of Directors of the District (the “**Board**”) hereby designates Michael Tamblyn as the Construction Representative.

2. The Construction Representative shall be authorized to render decisions in a timely manner including contracts and documents related to the Construction Work, including, but not limited to, the authority to enter into agreements and approve change orders in an amount not to exceed Fifty Thousand Dollars (\$50,000.00).

3. The District Representative shall provide notice of the decision(s) made, which shall be ratified by the Board at the next Board Meeting to occur subsequent to said decision(s).

[Signature Page Follows]

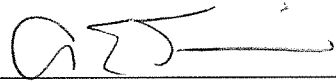
**[SIGNATURE PAGE TO RESOLUTION OF THE BOARD OF DIRECTORS OF  
PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 APPROVING  
APPOINTMENT OF CONSTRUCTION REPRESENTATIVE]**

APPROVED AND ADOPTED ON DECEMBER 19, 2017.

**PRAIRIE CENTER METROPOLITAN  
DISTRICT NO. 7**

By:   
President

Attest:

  
Secretary

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

All Bank Accounts

December 1, 2017 - March 31, 2018

Check Number	Check Date	Payee	Amount
<b>Vendor Checks</b>			
1000	02/13/18	CliftonLarsonAllen LLP	947.00
1001	02/13/18	DTJ Design, Inc.	743.64
1002	02/13/18	McGeady Becher, PC	16,926.50
1003	02/13/18	Redland Consulting Group	7,888.75
1004	02/13/18	Special District Mgmt. Services, Inc	107.47
1005	02/13/18	T. Charles Wilson Insurance	475.00
1006	03/14/18	Bemas Construction Inc.	126,510.93
1007	03/14/18	CliftonLarsonAllen LLP	1,737.00
1008	03/14/18	CTL THOMPSON	3,941.76
1009	03/14/18	McGeady Becher, PC	15,691.00
1010	03/14/18	Redland Consulting Group	6,748.14
1011	03/14/18	Special District Association	243.75
1012	03/14/18	Special District Mgmt. Services, Inc	411.40
1014	03/16/18	Brinkmann Construction	50,191.08
1015	03/20/18	City of Brighton	25,727.36
<b>Vendor Check Total</b>			<u>258,290.78</u>
<b>Check List Total</b>			<u><u>258,290.78</u></u>

Check count = 15

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

NAME OF GOVERNMENT  
ADDRESS

Prairie Center Metropolitan District No. 7

8390 E Crescent Parkway

Suite 500

Greenwood Village, CO 80111

CONTACT PERSON

Christine Harwell

PHONE

303-779-5710

EMAIL

Christine.Harwell@claconnect.com

FAX

303-779-0348

For the Year Ended  
12/31/17  
or fiscal year ended:

## PART 1 - CERTIFICATION OF PREPARER

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

NAME:

Christine Harwell

TITLE

Accountant for the District

FIRM NAME (if applicable)

CliftonLarsonAllen LLP

ADDRESS

8390 E Crescent Parkway, Suite 500, Greenwood Village, CO 80111

PHONE

303-779-5710

DATE PREPARED

(Must be prepared prior to  
Board approval)

3/6/2018

**PREPARER** (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Please indicate whether the following financial information is  
recorded using Governmental or Proprietary fund types

**GOVERNMENTAL**  
(MODIFIED ACCRUAL BASIS)



**PROPRIETARY**  
(CASH OR BUDGETARY BASIS)





## PART 2 - REVENUE

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

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property	\$ -	
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ -	

## PART 3 - EXPENDITURES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 19,115	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ 11,186	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):		
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ 30,301	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

	Yes	No
4-1 Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2 Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)		
	Outstanding at end of prior year*	Issued during year
General obligation bonds	\$ -	\$ -
Revenue bonds	\$ -	\$ -
Notes/Loans	\$ -	\$ -
Leases	\$ -	\$ -
Developer Advances	\$ -	\$ -
Other (specify):	\$ -	\$ -
TOTAL	\$ -	\$ -

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes: How much?	\$ 6,790,000,000	
Date the debt was authorized:	5/2/2006	
4-6 Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: How much?	\$ -	
4-7 Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: What is the amount outstanding?	\$ -	
4-8 Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: What is being leased?		
What is the original date of the lease?		
Number of years of lease?		
Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input type="checkbox"/>
What are the annual lease payments?	\$ -	
4-9 Does the entity have a certified Mill Levy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: Please provide the following <u>mills</u> levied for the year reported (do not report \$ amounts):		
	Bond Redemption	-
	General/Other	-
	TOTAL	-

Please use this space to provide any explanations or comments:

## PART 5 - CASH AND INVESTMENTS

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

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

Please answer the following questions by marking in the appropriate boxes

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

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

The District has no Checking or Savings account.

## PART 6 - CAPITAL ASSETS

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

Yes

No

6-1 Does the entity have capital assets?

☒
☐

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

☐
☒

The District's capital assets consist of public improvements (CIP)

6-3

Complete the following capital assets table:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ 11,186	\$ -	\$ 11,186
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
(Please enter a negative, or credit, balance)				
<b>TOTAL</b>	\$ -	\$ 11,186	\$ -	\$ 11,186

\*must tie to prior year ending balance

Please use this space to provide any explanations or comments:

## PART 7 - PENSION INFORMATION

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

Yes

No

7-1 Does the entity have an "old hire" firemen's pension plan?

☐
☒

7-2 Does the entity have a volunteer firemen's pension plan?

☐
☒

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):

\$ -

State contribution amount:

\$ -

Other (gifts, donations, etc.):

\$ -

**TOTAL**

\$ -

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

\$ -

Please use this space to provide any explanations or comments:

## PART 8 - BUDGET INFORMATION

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

Yes

No

N/A

8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?

☒
☐
☐

If no, MUST explain:

8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:

☒
☐
☐


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

General Fund - Amended	\$ 20,000
Capital Projects Fund - Amended	\$ 40,000

## PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

- 9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?

☒
☐

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, MUST explain:

## PART 10 - GENERAL INFORMATION

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

Yes

No

- 10-1 Is this application for a newly formed governmental entity?

☐
☒

If yes: Date of formation:

- 10-2 Has the entity changed its name in the past or current year?

☐
☒

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

- 10-3 Is the entity a metropolitan district?

☒
☐

Please indicate what services the entity provides:

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 translator, and mosquito and pest control services.

- 10-4 Does the entity have an agreement with another government to provide services?

☐
☒

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

- 10-5 Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

☐
☒

If yes: Date Filed:

Please use this space to provide any explanations or comments:

## PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	Have you read the new Electronic Signature Policy and do you plan on submitting signatures in accordance with this policy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

#### Policy - Requirements

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

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

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

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

Print the names of ALL current governing board members below. Print Board Member's Name		A MAJORITY of the governing board members must complete and sign in the column below.
Board Member 1	Michael Tamblyn	I Michael Tamblyn , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2018
Board Member 2	Mark A Waggoner	I Mark A Waggoner , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2020
Board Member 3		I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 4		I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5		I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6		I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7		I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



CliftonLarsonAllen LLP  
www.CLACONNECT.com

## Accountant's Compilation Report

Board of Directors  
Prairie Center Metropolitan District No. 7  
Adams County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Prairie Center Metropolitan District No. 7 as of and for the year ended December 31, 2017, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Prairie Center Metropolitan District No. 7.

Greenwood Village, Colorado  
March 6, 2018

RESOLUTION NO. \_\_\_\_\_

WHEREAS, the Board of Directors of Prairie Center MO No. 7 (hereafter referred to as "the District") has authority under Article XIV, Section 18(2)(a) of the Colorado Constitution, and Sections 24-10-115.5, 29-13-102, and 29-1-201, et seq., Colorado Revised Statutes, as amended, to participate in a self-insurance pool for property and liability and/or workers' compensation coverages:

WHEREAS, the Board of Directors has reviewed a contract to cooperate with other Colorado Special Districts by participating in a self-insurance pool for property and liability coverages entitled "Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool", a copy of which is attached hereto as Exhibit A and incorporated into this Resolution: and,

WHEREAS, the Board of Directors finds that participation in such a pool would be in the best interest of the District, its employees, and its taxpayers:

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District hereby:

1. Approves the contract entitled Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool, a copy of which is attached hereto as Exhibit A and incorporated into this Resolution by this reference.
2. Authorizes and directs the Chairman of the Board of Directors and President of the District to execute Exhibit A on behalf of the District.
3. Directs the Secretary of the Board of Directors to transmit to the Colorado Special Districts Property and Liability Pool (hereafter referred to as "Pool"), McGriff, Seibels & Williams, PO Box 1539, Portland, OR 97207-1539, an executed and attested copy of this Resolution and one original of Exhibit A.
4. Designates Ann E. Finn as District's initial Representative to the Pool and designates Karen J. Steggs as the District's Alternative Representative.
5. Representative Mailing Address:  
141 Union Boulevard #150, Lakewood, CO 80228  
Alternate Representative Mailing Address:  
Same



6. Understands that, with the adoption of this Resolution, the District becomes a member of the Pool, with coverage to be provided by or through the Pool on such date as determined by the District and Pool. The District hereby requests, unless other dates are later designated by the District, that coverage should begin on the following dates for the following type of coverage:

<u>Date</u>	<u>Coverage</u>
<u>X</u>	Workers' Compensation
	Property
<u>X</u>	General Liability
	Automobile
<u>X</u>	Public Officials Liability
	Inland Marine
	Equipment Breakdown / Boiler & Machinery
<u>X</u>	Comprehensive Crime

Director Tamblyn moved the adoption of the above Resolution.

Director Waggoner seconded the adoption of the above Resolution.

This Resolution was adopted by a majority vote of the Board of Directors of the District on the 1<sup>st</sup> day of January, 20 18

\_\_\_\_\_  
Chairman of the Board and  
President of the District

ATTEST:

\_\_\_\_\_  
Secretary of the Board

**INTERGOVERNMENTAL AGREEMENT FOR THE  
COLORADO SPECIAL DISTRICTS  
PROPERTY AND LIABILITY POOL**

As Amended  
SEPTEMBER 14, 2011

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# **INTERGOVERNMENTAL AGREEMENT FOR THE COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL**

## **ARTICLE 1. Definitions**

As used in this Pool Agreement, the following terms shall have the meaning hereinafter set out:

- 1.1 BOARD: Board of Directors of the Pool.
- 1.2 CLAIM YEAR: Any twelve consecutive month period established by the Board. The "initial" claim year is the first claim year established for the Pool.
- 1.3 DIRECTOR: A person serving on the Board.
- 1.4 MEMBER: A Special District which enters into this Pool Agreement. An "initial" member of the Pool is a member which obtains coverage through the Pool during the initial claim year.
- 1.5 MEMBER REPRESENTATIVE: That person who has been designated in writing by a Member as its representative to the Pool.
- 1.6 POOL: The Colorado Special Districts Property and Liability Pool established pursuant to the Constitution and the statutes of this state by this Pool Agreement.
- 1.7 POOL AGREEMENT: This Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool.
- 1.8 SPECIAL DISTRICT: A political subdivision of the State of Colorado that is a unit of local government pursuant to Article 13, Title 29, C.R.S., as amended, that is a public entity pursuant to 24-10-103(5), C.R.S., as amended, and that is eligible for membership in the Special District Association of Colorado according to the Association's bylaws as amended and in effect from time to time. "Special District" also includes any separate entity created by intergovernmental agreement authorized by Part 2, Article 1, Title 29, C.R.S., as amended, if at least one of the contracting entities is a special district and if all of the contracting entities are units of a local government pursuant to Article 13, Title 29, C.R.S., as amended, and are public entities pursuant to 24-10-103(5), C.R.S., as amended.
- 1.9 SDA BOARD: The Board of Directors of the Special District Association of Colorado.

## **ARTICLE 2. Creation of Pool**

- 2.1 The Colorado Special Districts Property and Liability Pool is hereby formed by this Pool Agreement by Member Special Districts as a separate and independent governmental and legal entity pursuant to the provisions of Article XIV, Section 18(2) of the Colorado Constitution and

Constitution and Sections 29-1-201 et. seq., 8-44-101(1)(C) and (3), 8-44-204, 24-10-115.5, and 29-13-102, C.R.S., as amended.

- 2.2 Each Special District entering into this Pool Agreement has the power under Colorado law to make provision for the property and liability coverages, workers' compensation benefits, and risk management, claims handling, and other functions and services which constitute the specific functions and services jointly provided by means of the Pool.

### **ARTICLE 3. Purposes**

- 3.1 The purposes of the Pool are to provide defined property, liability, workers' compensation and associated coverages, and claims and risk management services related thereto, for Member Special Districts through a self-insurance pool.
- 3.2 It is the intent of the Members to use Member contributions to defend and indemnify, in accordance with this Pool Agreement, any Member against stated liability or loss to the extent of the coverage provided by or through the Pool.
- 3.3 All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its Members.

### **ARTICLE 4. Non-Waiver of Governmental or Other Immunity**

- 4.1 All Pool money, plus earned interest, is money derived from its Members which consist solely of Special Districts within the State of Colorado. It is the intent of the Members that, by entering into this Pool Agreement, they do not waive and are not waiving any immunity provided by any law to the Members or their public employees, as defined in 24-10-103(4), C.R.S., as amended.

### **ARTICLE 5. Participation**

- 5.1 The Board shall have the authority to limit the Members of the Pool to those Colorado Special Districts which are members of the Special District Association of Colorado and which properly enter into and adopt this Pool Agreement.
- 5.2 New Members, including special districts which have previously withdrawn or been expelled from the Pool, shall be admitted only upon approval by the Board, subject to the payment of such sums and under such conditions as the Board in each case or from time-to-time establishes.

- 5.3 A Member may participate in the Pool for either or both of the following purposes:
1. The property and liability coverages authorized by sections 24-10-115.5 and 29-13-102, C.R.S., as amended, and risk management, claims handling and other functions and services related to such coverages;
  2. The workers' compensation coverages authorized by sections 8-44-101(1)(C) and (3) and 8-44-204, C.R.S., as amended, and risk management, claims handling, and other functions and services related to such coverages.
- 5.4 A Member who is participating in the Pool for one of the purposes set forth in Paragraph 5.3 of this Article may be authorized to participate in the Pool for the other of those purposes upon further compliance, as necessary, with Paragraph 5.1 of this Article and approval of the Board, subject to the payment of such sums and under such conditions as the Board in each case or from time-to-time establishes.

#### **ARTICLE 6. Board of Directors and Officers**

- 6.1 The Pool Board of Directors shall be composed of nine persons to be appointed by the SDA Board. Directors shall be appointed from among the Member Representatives, each from a different Member. At least one (1) Pool Director shall be appointed by the SDA Board from among the SDA directors. Pool Directors who are not SDA directors shall be appointed by the SDA Board from nominations received from Members. In no event may more than three Pool Directors be appointed from any one of the following types of special districts: Ambulance, Fire, Metropolitan, Park and Recreation, Sanitation, Water, Water and Sanitation, Hospital, or Library Districts. Nominations from the Members shall be submitted to the SDA Board at such time as the SDA Board may provide, and any nomination must be approved by the Board of Directors of the Member submitting the nomination.
- 6.2 The Executive Director of the SDA shall serve as an ex-officio, non-voting Director on the Board.
- 6.3 Terms of the Directors shall be two-year, overlapping terms or until their successors have been appointed, except as provided herein. The term of office shall begin on a January 1, and end at midnight on a December 31, except that the Directors appointed to the first Board following the formation of the Pool shall begin their term prior to a January 1 if the SDA Board so directs. Directors may serve successive terms. The SDA Board shall appoint to the first Board following formation of the Pool, three Directors to serve one-year terms and four Directors to serve two year terms, with the successors of each appointed for two-year terms. Of the two additional persons to be appointed to the Board upon expansion of the Board from seven to nine persons, one shall be appointed to serve a one-year term and one shall be appointed to serve a two-year term, with the successors of each appointed for two-year terms; the terms of office of the two additional persons initially appointed may begin prior to a January 1 if the SDA Board so directs.

- 6.4 The officers of the Pool shall be: president, one or more vice presidents, secretary, one or more assistant secretaries, and comptroller. The officers shall be elected annually by and from among the Directors at the first meeting of the Board following each December 31.
- 6.5 A vacancy shall occur on the Board when a Director:
1. Submits a written resignation to the Board.
  2. Dies.
  3. Ceases to be a Member Representative.
  4. Fails to attend three consecutive regular meetings of the Board without the Board having entered upon its minutes an approval for an additional absence or absences, except that such additional absence or absences shall be excused for temporary mental or physical disability or illness.
  5. Is convicted of a felony.
- 6.6 Any vacancy on the Board shall be filled by appointment by the SDA Board for the unexpired portion of the term.

#### **ARTICLE 7. Meetings of the Board of Directors**

- 7.1 The Board may set a time and place for regular meetings which may be held without further notice. The Members shall be notified of the time and place set for regular meetings.
- 7.2 Special meetings may be called by the President or by a majority of the Directors by mailing written notice at least ten (10) days in advance to all Directors or by unanimously executed waiver of notice.
- 7.3 Five Directors shall constitute a quorum to do business. All acts of the Board shall require approval of a majority of the Directors present, except as otherwise specifically provided in this Pool Agreement.
- 7.4 One or more or all Directors may participate in any meeting of the Board by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence at the meeting.
- 7.5 Any action of the Board may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all Directors appointed to the Board. Such consent shall have the same effect as a unanimous vote. The consent may be executed in counterparts.

## **ARTICLE 8. Powers and Duties of the Board of Directors**

- 8.1 The business and affairs of the Pool shall be managed by the Board which shall exercise all the authority and powers and discharge all the duties of the Pool, except as is otherwise provided in this Pool Agreement.
- 8.2 In addition to all other powers of the Board set out in this Pool Agreement, the Board shall have the power to:
1. Exercise all powers necessary to carry out the purposes of the Pool.
  2. Retain agents, independent contractors and employees necessary to administer and achieve the purposes of the Pool, including, but not limited to, attorneys, accountants, investigators, experts, consultants, and others.
  3. Purchase, sell, encumber, and lease real property, and purchase, sell, encumber or lease equipment, machinery, and personal property.
  4. Invest money as allowed for the Pool by Colorado statutes or by lawful regulations adopted pursuant to Colorado statutes, as from time-to-time amended.
  5. Purchase excess insurance, stop-loss insurance, and reinsurance as the Board deems prudent.
  6. Adopt and adjust the coverages provided through the Pool.
  7. Adopt and adjust contributions to the Pool.
  8. Enter into contracts including, but not limited to, contracts for risk management, claim adjustment, and brokerage services.
  9. Reimburse Directors for reasonable and approved expenses, including expenses incurred in attending Board meetings, and pay compensation to each Director for his or her services in a sum not to exceed the maximum sum which may by statute be paid as compensation for services of directors on Colorado special district boards of directors.
  10. Purchase fidelity bonds from an insurance company approved by the Insurance Commissioner of the State of Colorado to do business in Colorado.
  11. Establish reasonable and necessary loss reduction, prevention and risk management policies and procedures to be followed by the Members.
  12. Appoint committees from time to time as the Board considers desirable.



13. Provide for claims and loss control procedures, and establish conditions to be met prior to the payment or defense of claims.
  14. Establish rules governing its own conduct and procedure, and the authority of its officers, not inconsistent with this Pool Agreement.
  15. Approve attorneys or firms of attorneys to represent Members in claims covered through the Pool.
  16. Delegate in writing fiduciary responsibilities or ministerial powers and duties to individual Directors or committees of the Board or to such agents, employees, and independent contractors as the Board considers desirable.
- 8.3 In addition to all other duties of the Board set out in this Pool Agreement, the Board shall have the duty to:
1. Have an audit of the financial affairs of the Pool be made annually by a certified public accountant in accordance with applicable laws and regulations, and provide a copy thereof to each Member.
  2. Select a qualified actuary to conduct periodic reviews of the Pool's funds and any reviews required by the Insurance Commissioner of Colorado, and make recommendations to the Board based on such reviews.
  3. Designate one or more persons or entities to administer the Pool.
  4. Adopt a budget annually and report the budget to the Members.
  5. Three persons shall be appointed annually to an expulsion committee to serve until January 1 of the year following the appointment. One person, to be appointed by the Board, shall be a director on the board, one person, to be appointed by the Board, shall be a representative of the person(s) or entity(ies) providing general administrative services to the Pool, and one person, to be appointed by the SDA Board, shall be a member of the SDA Board.

#### **ARTICLE 9. Members' Powers and Meetings**

- 9.1 The Members shall have the power to:
- a. Amend the Pool Agreement by a two thirds (2/3) vote of the Members present at a meeting. Written notice of any proposed amendment shall be provided to each Member at least forty-five (45) days in advance of any vote on the amendment.
  - b. Dissolve the Pool and disburse its assets by a two thirds (2/3) vote of the Members present at a meeting, pursuant to such notice and in keeping with such procedure as shall be

shall be established by the Board. Notice of the dissolution and plan for disbursement of assets and payment of the remaining obligations of the Pool shall be mailed to the Insurance Commissioner of Colorado at least ninety (90) days prior to the effective date of the dissolution. The plan for disbursement of assets and payment of the remaining obligations of the Pool shall not take effect until approved by the Insurance Commissioner of Colorado. Upon dissolution of the Pool, the assets of the Pool not used or needed for the purposes of the Pool, as determined by the Board and subject to approval by the Insurance Commissioner of Colorado, shall be distributed exclusively to Special Districts which are members of the Pool prior to dissolution to be used for one or more public purposes.

9.2 Meetings of the Members shall be held as follows:

- a. Members shall meet at least once annually at a time and place to be set by the Board, with notice mailed to each Member at least thirty (30) days in advance.
- b. Special meetings may be called by the Board upon its own motion and shall be called by the Board upon written request of thirty (30) percent of the Members, with notice mailed to each Member at least thirty (30) days in advance.
- c. The president of the Pool shall preside at the meetings; a vice president of the Pool shall preside in the absence of the president.
- d. Twenty (20) percent of the Members shall constitute a quorum to do business.
- e. Proxy voting shall be allowed, pursuant to such procedures as the Board may determine.
- f. Each Member shall be entitled to one vote on each issue, to be cast by its Member Representative.
- g. Notwithstanding any other provision of the Pool Agreement, any amendment to the Pool Agreement, except an amendment relating to dissolution of the Pool, may be adopted without a meeting if an approval in writing, setting forth the amendment approved, is signed by the Member Representatives of at least two thirds (2/3) of the Members. The approval may be executed in counterparts.

**ARTICLE 10. Obligations of Members**

10.1 Each Member shall have the obligation to:

- a. Pay all contributions or other payments to the Pool at such times and in such amounts as shall be established by the Board. Any delinquent payments shall be paid with interest pursuant to a policy established by the Board and uniformly applied.

- b. Designate in writing, a Member Representative and one or more alternates for the Members' meetings. The Representative and any alternate shall be an elected official, employee, or other designee of the Member, and may be changed from time-to-time. Any alternate may exercise all the powers of the Representative during a Member meeting in the absence of the Member Representative.
- c. Allow the Pool and its agents, contractors, employees and officers reasonable access to all facilities and records of the Member as required for the administration of the Pool.
- d. Cooperate fully with the Pool and all agents, contractors, employees and officers thereof in matters relating to the Pool.
- e. Provide information requested by the Pool, and all agents, contractors, employees, and officers thereof, as reasonably required for the administration of the Pool.
- f. Allow the Pool to make decisions regarding, and to designate attorneys to represent the Member in, the investigation, settlement and litigation of any claim within the scope of coverage furnished through the Pool.
- g. Comply with the claims, loss reduction, prevention and risk management policies and procedures established by the Board.
- h. Promptly report to the Pool all incidents or occurrences which could reasonably be expected to result in the Pool being required to consider a claim, in any form required by the Board and in compliance with any applicable excess insurance or reinsurance.
- i. Promptly report to the Pool the addition of new programs and facilities or the significant reduction or expansion of existing programs and facilities or other acts, as directed by the Board and in compliance with any applicable excess insurance or reinsurance.

## **ARTICLE 11. Contributions**

11.1 The Board shall establish Member contributions pursuant to guidelines established by the Board from time-to-time. The contributions may include an annual contribution and any additional contributions at such times and in such amounts as the Board deems necessary to insure the solvency and avoid impairment of the Pool or which the Board otherwise deems beneficial to protect the financial condition of the Pool. The Board may provide for disbursement of non-surplus credit balances which are, pursuant to guidelines adopted by the Board from time to time, due a member, and such disbursements shall not be subject to the provisions of paragraphs 11.2 or 15.1.

11.2 Any excess funds which the Board determines are not needed for the purposes of the Pool, may be

may be distributed among the Members and former Members, subject to Paragraph 15.1, pursuant to the following:

1. Any such distribution may be in the form of credits against future contributions or in the form of payments, or a combination thereof, as the Board may determine.
2. Money distributed for any claim year shall be distributed only to those Members and former Members which were Members during that claim year and shall be distributed in order of claim year contribution, with Members and former Members of the initial claim year to receive the initial credits.
3. The amount which may be distributed for any claim year shall be established by the Board which shall have discretion as to the amount and timing of any distribution. That amount may not exceed the net sum of (i) the net income of the Pool for that claim year less (ii) the portion of the Pool's net income which equals the amount of the excess loss reserve of the claim year prior to the claim year (which is subject to the distribution) which was taken into income in that claim year plus (iii) the excess loss reserve for the claim year which is subject to the distribution.
4. For the purpose of this paragraph 11.2, the term "excess loss reserves" means the amount by which the amounts credited to loss reserves and charged to operating expenses in any claim year exceed the actual losses (including loss adjustment expenses) for that claim year.
5. The amount established by the Board for a claim year pursuant to paragraph c., above, shall be distributed among each Member and former Member which was a Member during that claim year based on the ratio which each Member's and former Member's contribution (excluding any surplus contribution) for the claim year bears to the total contributions (excluding surplus contributions) for the claim year and less the contributions of former Members which are not eligible for a distribution pursuant to Paragraph 15.1.
6. Excess surplus funds contributed by Members and former Members may be distributed only among such contributing Members or former Members, subject to the five year membership requirement of Paragraph 15.1. The Board has discretion to determine, from time to time, the amount and timing of any distribution of such funds. The amount established by the Board shall be distributed among each Member and eligible former Member based on the ratio which each Member's and former Member's surplus contribution bears to the total amount of surplus funds contributed to the Pool by Members and former Members.
7. No distribution of excess funds, including excess surplus funds contributed by Members, shall be made to any Member or former Member which owes any amount to the Pool until the amount so owed is paid, and any amount so owed may be deducted from the distribution to the Member or former Member.

8. No distribution of excess funds, including excess surplus funds contributed by Members, shall cause the Pool to become impaired or insolvent.
- 11.3 The total amount of surplus shall be determined by the Board from time-to-time, but in no event shall be less than that required by the Insurance Commissioner of Colorado, and the Board may require all Members to make additional contributions to surplus as the Board deem necessary, or the Insurance Commissioner of Colorado may require.
- 11.4 The Pool shall account separately for contributions made for the property and liability coverages authorized by sections 24-10-115.5 and 29-13-102, C.R.S., as amended, and for contributions made for the workers' compensation coverage authorized by sections 8-44-101(1)(C) and (3) and 8-44-204, C.R.S., as amended.
- 11.5 Notwithstanding any provision of this Agreement to the contrary, the Pool Board may establish from any contributions or other assets of the Pool the initial minimum surplus for workers' compensation coverage required by the Insurance Commissioner of Colorado; provided that contributions or other assets derived from coverages other than workers' compensation shall not be used to establish such minimum surplus unless and until the Board first determines that workers' compensation contributions are or will be insufficient to fund such surplus in the amounts and within the time required by the Insurance Commissioner of Colorado; and provided further, that such minimum surplus shall be established from contributions for workers' compensation coverage as soon as the Board determines practicable consistent with ensuring the solvency and avoiding the impairment of the Pool. The Board may issue subordinated debt to establish such minimum surplus consistent with applicable requirements of the Insurance Commissioner of Colorado.
- 11.6 The Pool shall repay the Special District Association of Colorado for its ongoing services to the Pool, provided subsequent to the creation of the Pool, within such time and in such amount as the SDA Board and Pool Board may agree.

#### **ARTICLE 12. Liability of Directors, Officers and Employees**

- 12.1 No Director, officer, committee member, or employee of the Pool shall be personally liable for any acts performed or omitted in good faith. The Pool shall indemnify each Director, officer, committee member, and employee of the Pool against any and all expense including attorney fees and liability expenses sustained by them, or any of them in connection with any suit or suits which may be brought against them involving or pertaining to any of their acts or duties performed for this Pool or omitted in good faith. This provision shall not be deemed to prevent compromises of any such litigation where the compromise is deemed advisable in order to prevent greater expense or cost in the defense or prosecution of such litigation.
- 12.2 The Pool shall obtain a fidelity bond or other bond to guarantee the faithful performance of each Director's, officer's and employee's duties hereunder, and shall make reasonable effort to obtain errors and omissions coverage for each Director, officer, committee member, and employee of the

employee of the Pool. The Pool shall obtain bonds for all Directors, officers, committee members, and employees who handle or have access to Pool funds, in an amount which the Board deems appropriate but no less than the minimum amount deemed necessary by the Insurance Commissioner of Colorado.

### **ARTICLE 13. Withdrawal of Members**

- 13.1 Any Member may withdraw from the Pool by giving written notice to the Board of its intent to withdraw at least sixty (60) days prior to the Member's coverage renewal date. A Member which has different renewal dates for different coverages must give such written notice at least sixty (60) days prior to the first renewal date following any January 1. Unless a different date is agreed to by the Board and the Member, the withdrawal shall be effective on the Member's coverage renewal date but, if the Member has different renewal dates for different coverages, the withdrawal shall be effective the latest renewal date following the written notice of withdrawal. After the notice of withdrawal is given, no coverage will be renewed but all coverages will remain in effect only until their respective expiration dates.
- 13.2 Except as otherwise provided in this paragraph, any Member which dissolves or which is consolidated with another Special District shall be considered a withdrawn Member with the same rights and obligations under this agreement as any other withdrawn Member, such withdrawal to be effective on the date of dissolution or consolidation, as the case may be. Notwithstanding paragraph 15.1 and under the following circumstances only, a Special District shall receive the credits against its future contributions to the Pool otherwise allocable to a dissolved or consolidated Member pursuant to paragraph 11.2:
1. If the Special District was formed by a consolidation which included such a Member, the Special District assumed all rights of that Member under this agreement, and the Special District is a Member no later than one year after the effective date of the consolidation; or,
  2. If the Special District assumed all rights of a dissolved Member under this agreement, and the Special District is a Member no later than one year after the effective date of the dissolution.

A Special District entitled to receive such credits of a dissolved or consolidated Member shall not be obligated for any liabilities to the Pool of the dissolved or consolidated Member in excess of the amount of such credits.

### **ARTICLE 14. Expulsion of Members**

- 14.1 A Member which fails to make a contribution or other payment due to the Pool shall be automatically expelled from the Pool on the sixtieth (60) day following the due date, unless time for payment is extended by the Board and payment is made within any extended period. A notice of failure to make a contribution or other payment due to the Pool shall be mailed to the Member at least thirty (30) days prior to the date of automatic expulsion. If payment is not made within

not made within any extended period, the automatic expulsion shall occur on a date, no later than twenty (20) days after the last day of the extended period, set by the Board. An expulsion under this paragraph 14.1 shall not be subject to the provisions of paragraph 14.2.

14.2 A Member may be expelled by the Board for failure to carry out any other obligation of the Member, or for failure to maintain its membership in the Special District Association of Colorado if such membership was required by the Board at the time the Member was admitted to the Pool, subject to the following:

1. The Member shall receive notice from the Board of the alleged failure and not less than thirty (30) days in which to cure the alleged failure, along with notice that expulsion may result if the failure is not so cured.
2. The Member shall receive at least thirty (30) days prior notice from the Board, of the date, place and time when the Board will consider expelling the Member from the Pool, and the Member shall be entitled to be present at that meeting and to present evidence and reasons why it should not be expelled. The decision of the Board shall be effective as of the date and upon the terms and conditions set forth in the Pool Agreement and applicable excess or reinsurance policies and otherwise specified by the Board, except as provided in paragraph c.
3. The Member may appeal the Board's decision to the expulsion committee, which shall schedule a hearing thereon. The Member and the Board shall be provided at least ten (10) days prior written notice of the date, time and place of the hearing. The appealing Member shall be entitled to be present at that hearing and to present evidence and reasons why it should not be expelled and the Board may present evidence and reasons why expulsion is proper. The decision of the expulsion committee shall be final and any expulsion effective as of the date and upon the terms and conditions set forth in the Pool Agreement and applicable excess or reinsurance policies, and otherwise specified by the Board.

#### **ARTICLE 15. Effect of Withdrawal or Expulsion**

- 15.1 No withdrawn or expelled Member shall be entitled to any reimbursement of contributions or distribution or excess funds, including excess surplus funds contributed by Members, unless the Member was a Member for at least five consecutive years.
- 15.2 A withdrawn or expelled Member shall remain obligated for all amounts owing at the time of withdrawal or expulsion for the years during which the member was an active member of the Pool and for all amounts which thereafter become owing for such years pursuant to the Pool Agreement and any other Pool documents which are in effect at the time of withdrawal.
- 15.3 A withdrawn or expelled Member shall be considered a Member of the Pool for the purpose of payment of the Member's claims and expenses related thereto which remain covered under the terms of coverage existing at the time of withdrawal. A withdrawn or expelled Member shall

shall remain subject to all conditions of coverage and obligations of a Member which are in effect at the time of withdrawal. A withdrawn or expelled Member shall have no right to vote on any matter pending before the Pool membership.

- 15.4 No withdrawn or expelled Member may be adversely affected by any change in the Pool Agreement or other Pool documents adopted subsequent to the effective date of the Member's withdrawal or expulsion.
- 15.5 Unless disapproved by an affected excess carrier or reinsurer, the Pool shall offer a withdrawing or expelled Member, no later than forty-five (45) days after the expulsion or Board's receipt of the written notice of withdrawal, at least twenty-four (24) months extended reporting period on any claims-made coverage provided through the Pool, at a cost reasonably calculated by the Board and subject to any contracts existing at the time of withdrawal or expulsion.

#### **ARTICLE 16. Miscellaneous**

- 16.1 This document constitutes an intergovernmental agreement among those Special Districts which become Members of the Pool. The terms of this agreement may be enforced in court by the Pool or by any of its Members. The consideration for the duties herewith imposed on the Members to take certain actions and to refrain from certain other actions shall be based upon the mutual promises and agreements of the Members set forth herein.
- 16.2 A certified or attested copy of the resolution of approval for each Member shall be attached to the Member's Pool Agreement on file with the Pool.
- 16.3 Except to the extent of the limited financial contributions to the Pool agreed to herein or such additional obligations as may come about through amendments to this Pool Agreement, the contracting parties intend in the creation of the Pool to establish an organization to operate only within the scope herein set out and have not otherwise created as between Member and Member any relationship of surety, indemnification or responsibility for the debts of or claims against any other Member.
- 16.4 The provisions of this Pool Agreement and of the other documents referred to herein, and the assets of the Pool, are for the benefit of the Members of the Pool only, and no other persons or entities shall have any rights or interest in this Pool Agreement or in any of the other documents referred to herein, or in any such assets, as a third party beneficiary or otherwise. The assets of the Pool shall not be subject to attachment, garnishment, or any equitable proceeding.
- 16.5 It is the intention of the Members that the Pool and any income of the Pool not be subject to taxation, and the Members shall cooperate in such respects, including amending this Pool Agreement, as reasonably necessary to establish and maintain the non-taxable status of the Pool.



- 16.6 The Insurance Commissioner of Colorado shall have such authority with respect to the formation and operation of the Pool as is provided by applicable Colorado law.
- 16.7 Except as permitted in this Pool Agreement, and amendments hereto, neither the Board nor any other person or entity is authorized to incur liabilities or obligations or enter into contracts on behalf of the Members.
- 16.8 "Insolvency" as applied to the Pool shall have the meaning as defined in Section 10-3-212, C.R.S., as amended, or as the Insurance Commissioner of Colorado may otherwise provide.
- 16.9 The statutory reporting period for the Pool shall be the calendar year or such other period as the Insurance Commissioner of Colorado may provide.
- 16.10 If any provision of this Pool Agreement is held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the other provisions, and this Pool Agreement is expressly declared to be severable.
- 16.11 If the Board or its authorized representative and a Member disagree on whether a loss is covered through the Pool or on the amount of a covered loss, the Board or its authorized representative or the Member may request that the disagreement be submitted to binding arbitration as follows:
1. Unless otherwise agreed by the Board or its authorized representative and the Member, three persons shall be selected for the arbitration panel, one by the Board or its authorized representative, one by the Member, and one by the two so selected to act as umpire to decide the items upon which the other two disagree. If the two so selected fail for fifteen days to agree upon the umpire, the umpire shall be selected by a judge of a court of record agreed to by the Board or its authorized representative and the Member.
  2. The decision of the panel shall be binding on the Board or its authorized representative and the Member.
  3. The Pool shall pay the fees and expenses of the panelist selected by the Board or its authorized representative, the Member shall pay the fees and expenses of the panelist selected by it, and the fees and expenses of the umpire shall be shared equally by the Pool and the Member.

Dated: 1/1/18

Special District: Prairie Center Metropolitan District No. 7

By: \_\_\_\_\_  
Title: Chairman, Board of Directors and President

Date: 11/1/18

Attest:

By: \_\_\_\_\_  
Title: Secretary



**Designation of Member Representative and Alternate Member Representative  
for the  
Colorado Special Districts Property and Liability Pool**

Pursuant to Section 10.1(b) of the Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool (CSD Pool), the Board of Directors of the Prairie Center Metropolitan District No. 7 (District Legal Name)

designates the following individuals as its Member Representative and Alternate Member Representative to the CSD Pool to represent the District's interest in CSD Pool matters on behalf of the District:

**Ann E. Finn**

Member Representative (Print)

**District Manager**

Association/Position in District

141 Union Boulevard, #150, Lakewood Colorado 80228

Address

**303-987-0835**

Phone

**303-987-2032**

Fax

**afinn@sdmsi.com**

Email

**Karen J. Steggs**

Alternate Member Representative (Print)

**Insurance Administrator**

Association/Position in District

Same

Address

**Same**

Phone

**Same**

Fax

**ksteggs@sdmsi.com**

Email

**Date Authorized:**

1/1/18

**Authorized Board Signature:**

**Signer's Board Position:**

President



720.283.6783 Office  
1500 West Canal Court  
Littleton, Colorado 80120

 **REDLAND.COM**

March 8, 2018

Prairie Center Metropolitan District #7  
C/O Clifton Larson Allen  
Attn: Cristen Van Niekirk  
8390 E. Crescent Parkway, Suite 600  
Greenwood Village, CO 80111

**Re: Pay Application #01 – Prairie Center Village 1 Phase 1 Improvements – Northeast Corner of South 27<sup>th</sup> Avenue and Eagle Boulevard – District Road**

Dear Ms. Van Niekirk:

Redland recommends the payment of Payment Application No. 1 from Rocky Mountain Excavating, Inc. for the construction period to January 31, 2018. Based on the Engineer's observation of the Work in progress, the review of the Application for Payment and the accompanying data and schedules, the Work on the Project has progressed to the point indicated. To the Engineer's knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents and the Contractor is entitled to payment in the amount of \$10,687.50. The District Road should be classified as a Residential Local Road pursuant to the Comprehensive Funding Agreement (as amended) between Prairie Center Metro District #3, THF Prairie Center Development, L.L.C., and the City of Brighton.

If you have any questions, please do not hesitate to contact me at [rrome@redland.com](mailto:rrome@redland.com) or 720-283-6783.

Sincerely,



Rick Rome, P.E., LEED AP  
Senior Project Engineer

Cc: Mike Tamblyn (THF Realty)

# REQUEST FOR PAYMENT

From: Rocky Mountain Excavating, Inc.  
1199 Atchison Ct  
Castle Rock, CO 80109

To: PRAIRIE CENTER METRO DIST NO 3  
141 UNION BLVD, SUITE 150  
ATTN: ANN FINN  
LAKEWOOD, CO 80229

Invoice: 111658  
Draw: PR#1  
Invoice date: 1/31/2018  
Period ending date: 1/31/2018

Contract For: PRAIRIE CENTER VILLAGE I ADAMS COUNTY

## Request for payment:

Original contract amount \$811,935.10  
Approved changes \$5,995.50  
Revised contract amount

Project: 10-18-1002  
PRACEN/PRAIRIE CENTER VILL I

Contract completed to date

\$817,930.60

Contract date: 1/5/2018

Add-ons to date

\$0.00

Taxes to date

\$0.00

Less retainage

\$562.50

Total completed less retainage

\$10,687.50

Architect:

Scope:

Less previous requests

\$0.00

Current request for payment

\$10,687.50

Current billing

\$11,250.00

Current additional charges

\$0.00

Current tax

\$0.00

Less current retainage

\$562.50

Current amount due

\$10,687.50

Remaining contract to bill

\$807,243.10

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Changes approved in previous months by Owner		
Total approved this Month	5,995.50	
TOTALS	5,995.50	
NET CHANGES by Change Order	5,995.50	

I hereby certify that the work performed and the materials supplied to date, as shown on the above represent the actual value of the accomplishment under the terms of the Contract (and all authorized changes thereof) between the undersigned and the PRAIRIE CENTER METRO DIST NO 3 relating to the above referenced project. I also certify that the contractor has paid all amounts previously billed and paid by the owner.

CONTRACTOR: Rocky Mountain Excavating, Inc.

State Of COLORADO

County Of DOUGLAS

By: Shirley Beyers

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_

Date: 2-23-18

Notary Public

My commission expires: \_\_\_\_\_

# REQUEST FOR PAYMENT DETAIL

Project: 10-18-1002 / PRACEN/PRAIRIE CENTE| Invoice: 111658 Draw: PR#1 Period Ending Date: 1/31/2018 Detail Page 2 of 2 Pages

Item ID	Description	Unit of Measure	CONTRACTED			CURRENT		TOTAL TO DATE		Units to Finish
			Bid Quantity	Unit Price	Amount	Quantity	Amount	Quantity	Amount	
C1	MOBILIZATION	LS	1.00	12,000.00	12,000.00					1.00
C2	P & P BONDS	LS	1.00	11,250.00	11,250.00	1.00	11,250.00	1.00	11,250.00	23,822.00
C3	12" SUBGRADE PREP	SY	23,822.00	2.10	50,026.20					69.00
C7	MANHOLE ADJUSTMENT	EA	69.00	595.00	41,055.00					44.00
C8	WATER VALVE ADJUSTMENT	EA	44.00	225.00	9,900.00					45.00
C9	CLEANOUT BOX ADJUSTMENT	EA	45.00	120.00	5,400.00					1.00
C10	ROW PERMITS	LS	1.00	8,515.00	8,515.00					1.00
C11	PAVEMENT MARKING PAINT	LS	1.00	1,200.00	1,200.00					1.00
C12	PAVEMENT MARKING DEMO	LS	1.00	3,000.00	3,000.00					1.00
C13	THERMOPLASTIC MARKING	LS	1.00	2,100.00	2,100.00					1.00
C14	SIGN R1-1(STOP W/STREET ME	EA	15.00	625.00	9,375.00					15.00
C15	SIGN TYPE III BARRICADE MC	EA	6.00	600.00	3,600.00					6.00
C16	SIGN R2-1(SPEED LIMIT 25)	EA	1.00	300.00	300.00					1.00
C17	SIGN R3-7R(RIGHT MUST TU	EA	1.00	300.00	300.00					1.00
C18	HBP 5" SG100(64-22)	SY	23,822.00	18.65	444,280.30					23,822.00
C19	HBP 2" SX100(64-22)	SY	23,822.00	8.80	209,633.60					23,822.00
1000	CO 001 MATERIAL PRICE INCL	LS	1.00	5,995.50	5,995.50					1.00
Totals					817,930.60		11,250.00		11,250.00	

## SECTION 00685 LIEN WAIVER

### A. Waiver of Lien for Partial Payments

#### TO WHOM IT MAY CONCERN:

The undersigned, being duly sworn, deposes and says that he is Vice President of Rocky Mountain Excavating Inc, the Contractor for the Prairie Center Village I Phase I Improvements Work on the project located at northeast corner of Eagle Boulevard & 27<sup>th</sup> Avenue in Brighton, CO, owned by Prairie Center Metropolitan District No. 3 ("the Owner"). That the total amount of the Work performed by the undersigned and approved for payment to date is \$10,687.50, and the undersigned acknowledges that upon receipt of this partial payment, the Contractor has been paid for the Work performed and approved for payment to date the total Agreement Price.

That the undersigned, for and in consideration of the sum of Ten Thousand Six Hundred Eight Seven & 50/100 Dollars (\$10,687.50) in hand paid by Prairie Center Metropolitan District #3, receipt whereof before the signing and sealing of these presents is hereby acknowledged, does hereby acknowledge receipt of this partial payment due Contractor for Work performed or material furnished in connection with the Pay Application no. #1 for the Prairie Center Village I Phase I Improvements.

And the undersigned, for and in consideration of the sum aforesaid, and other good and valuable consideration, does hereby waive and relinquish all right, which Contractor can or may have at this date, to file any lien, mechanics', materialmen's or otherwise, against said above property for or by reason of any work performed, or material furnished in connection with the construction of said Project, with the distinct understanding that this waiver shall not be construed as covering any right to file any such lien for work performed or material to be hereafter furnished if such work performed or material furnished hereafter be not on account of the aforesaid mentioned sum. In addition, the undersigned hereby waives and releases any claims against the Owner and its officers or agents in any manner related to or connected with the construction of the Project or the performance of the Work.

The undersigned hereby warrants and represents to the Owner that all suppliers of labor and material to the undersigned on the project have been paid amounts due to date and hereby agrees to indemnify and hold harmless the Owner for any costs incurred due to claims threatened or initiated by such suppliers, including attorneys' fees.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 7th day  
of March, 2018.

Rocky Mountain Excavating Inc  
(Company Name)

By: [Signature]  
Name: Ryan Johnson  
Title: Vice President

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DOUGLAS )

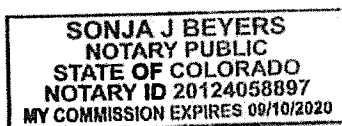
Subscribed and sworn to before me this 7<sup>th</sup> day of March, 2018, by Ryan Johnson as Vice President of Rocky Mountain Excavating Inc.

Witness my hand and official seal.

My Commission expires: 9-10-20

(SEAL)

[Signature]  
Notary Public







720.283.6783 Office  
1500 West Canal Court  
Littleton, Colorado 80120

**R REDLAND.COM**

March 8, 2018

Prairie Center Metropolitan District #7  
C/O Clifton Larson Allen  
Attn: Cristen Van Niekirk  
8390 E. Crescent Parkway, Suite 600  
Greenwood Village, CO 80111

**Re: Pay Application #01 – Prairie Center Village 1 Phase 1 Improvements – Northeast Corner of South 27<sup>th</sup> Avenue and Eagle Boulevard – District Road**

Dear Ms. Van Niekirk:

Redland recommends the payment of Payment Application No. 1 from Bemas Construction Inc. for the construction period to February 23, 2018. Based on the Engineer's observation of the Work in progress, the review of the Application for Payment and the accompanying data and schedules, the Work on the Project has progressed to the point indicated. To the Engineer's knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents and the Contractor is entitled to payment in the amount of \$126,510.93. The District Road should be classified as a Residential Local Road pursuant to the Comprehensive Funding Agreement (as amended) between Prairie Center Metro District #3, THF Prairie Center Development, L.L.C., and the City of Brighton.

If you have any questions, please do not hesitate to contact me at [rrome@redland.com](mailto:rrome@redland.com) or 720-283-6783.

Sincerely,

Rick Rome, P.E., LEED AP  
Senior Project Engineer

Cc: Mike Tamblyn (THF Realty)



## Page 1

To Owner:	Prairie Center Metro District No.7 141 Union Boulevard Suite 150 Lakewood, CO 80228	Project: Contractor Job Number:	<b>Prairie Center Village - Phase I Improvements</b>  <b>1802</b>	Application No: <b>1802-1PCMD</b> Date: <b>2/23/2018</b>
From(Contractor):	Bemas Construction Inc. 80 Inverness Drive East Englewood, CO 80112	Via (Architect):		Period To: Architect's Project
Phone:	303-662-1877	Contract For:		Contract Date:

### Contractor's Application For Payment

Change Order Summary				
Change orders approved in previous months by owner				
Change orders approved this month	Number	Date Approved	Additions	Deductions
CO #A1	1			(\$412,322.20)
CO #A2	2		\$63,920.00	
<b>Totals</b>			\$63,920.00	(\$412,322.20)
<b>Net change by change orders</b>			<b>(\$348,402.20)</b>	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information, and belief the work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

Contractor: \_\_\_\_\_  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
State of: \_\_\_\_\_ County of: \_\_\_\_\_  
Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year).  
Notary public: \_\_\_\_\_ My commission expires \_\_\_\_\_.

## Architect's Certificate for Payment

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the amount Certified.

Amount Certified: \$ \_\_\_\_\_

Architect:

By:

This Certification is not negotiable. The Amount Certified is payable only to the Contractor named herein. Issuance, payment, and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

**Current payment due**

Balance to finish, including retainage

123.147.43

Original contract sum  
Net change by change orders  
Contract sum to date  
**Total completed and stored to date**  
**Retainage**

\$	598,060.56
\$	(348,402.20)
\$	249,658.36
\$	133,169.40

5.0%	of completed work	\$	6,658.47
0.0%	of stored material	\$	-
	<b>Total retainage</b>	\$	6,658.47
	Total earned less retainage	\$	126,510.93
	Less previous certificates of payment	\$	-
	Current sales tax	\$	-
0.0%	of taxable amount	\$	-
	Current sales tax	\$	-

**\$ 126,510.93**

\$ 6,658.47

SECTION 00685 LIEN WAIVER

**A. Waiver of Lien for Partial Payments**

TO WHOM IT MAY CONCERN:

The undersigned, being duly sworn, deposes and says that he is Emple of Bemis Construction Inc., the Contractor for the Prairie Center Village I Phase I Improvements Work on the project located at northeast corner of Eagle Boulevard & 27<sup>th</sup> Avenue in Brighton, CO, owned by Prairie Center Metropolitan District No. 3 ("the Owner"). That the total amount of the Work performed by the undersigned and approved for payment to date is \$126,510.93, and the undersigned acknowledges that upon receipt of this partial payment, the Contractor has been paid for the Work performed and approved for payment to date the total Agreement Price.

That the undersigned, for and in consideration of the sum of \_\_\_\_\_ Dollars (\$ 126,510.93 ) in hand paid by Prairie Center Metropolitan District #3, receipt whereof before the signing and sealing of these presents is hereby acknowledged, does hereby acknowledge receipt of this partial payment due Contractor for Work performed or material furnished in connection with the Pay Application no. # for the Prairie Center Village I Phase I Improvements.

41802-1PCMD

And the undersigned, for and in consideration of the sum aforesaid, and other good and valuable consideration, does hereby waive and relinquish all right, which Contractor can or may have at this date, to file any lien, mechanics', materialmen's or otherwise, against said above property for or by reason of any work performed, or material furnished in connection with the construction of said Project, with the distinct understanding that this waiver shall not be construed as covering any right to file any such lien for work performed or material to be hereafter furnished if such work performed or material furnished hereafter be not on account of the aforesaid mentioned sum. In addition, the undersigned hereby waives and releases any claims against the Owner and its officers or agents in any manner related to or connected with the construction of the Project or the performance of the Work.

The undersigned hereby warrants and represents to the Owner that all suppliers of labor and material to the undersigned on the project have been paid amounts due to date and hereby agrees to indemnify and hold harmless the Owner for any costs incurred due to claims threatened or initiated by such suppliers, including attorneys' fees.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 7<sup>th</sup> day  
of March, 2018.

Bemas Construction Inc.  
(Company Name)

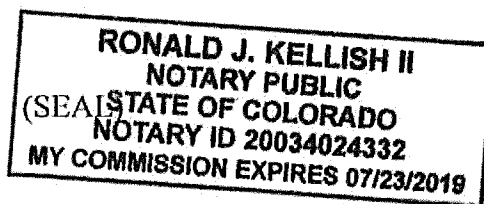
By: [Signature]  
Name: Mike Bussey  
Title: Manager

STATE OF COLORADO )  
COUNTY OF Arapahoe ) ss.

Subscribed and sworn to before me this 7<sup>th</sup> day of March,  
2018, by Mike Bussey as Project Manager of Bemas Construction

Witness my hand and official seal.

My Commission expires: 7/23/19



[Signature]  
Notary Public

## SECTION 00680 CHANGE ORDER

## CHANGE ORDER

**Project:** Prairie Center Village 1  
Phase I Improvements  
**Date of Issuance:** 1/2/2017

**Owner:** Prairie Center Metropolitan District No. 7  
**Address:** \_\_\_\_\_  
**Change Order No.:** 1

**Contractor:** Bemas Construction, Inc.  
**Construction Manager:** Brinkmann Constructors

You are directed to make the following changes in the Contract Documents:

## Description:

1) Bid Item Number A.6 Remove Unclassified Import CIP (Offsite - Owner Provided). To be bought at \$3.40/CY. Quantity to be paid by the in-place CY at stockpile location. Quantity to be determined by Topographic map with Aztec Consultants. 2) Bid Item Number A.24 Remove Unclassified Import CIP (Offsite- Contractor Provided). Quantity to be paid by the in-place CY at stockpile location. Quantity to be determined by Topographic map with Aztec Consultants. Contractor agrees to provide Owner with exclusive access to stockpile site, to be delineated by Aztec Consultants. 3) Add In Job Cost Escalation Various Bid Items

**Purpose of Change Order:** Reconcile change in scope and job escalations

**Attachments:** See updated bid from Bemas dated 10/20/2017, Redland Memorandum Schedule A Work Distribution & District VS GKT Cost Exhibits

## CHANGE IN CONTRACT PRICE:

Original Contract Price:

\$ 598,060.56

Previous Change Orders:

No. 0 to No. 0

Contract Price Prior to this Change Order:

\$ 598,060.56

Net Increase of this Change Order:

1) Deduct	\$ (263,568.00)
1) Add	\$3.40/CY
2) Deduct	\$ (150,800.00)
2) Add	\$8.40/CY**
3) Add	\$ 2,045.80
	<u>\$ (412,322.20)</u>

Bid Item No:

A.6

A.6

A.24

A.24

A.1-A.23

\*\* With a maximum approved budget of 105,600 CY or \$887,040.00

## Change in Contract Time:

Original Contract Time:

N/A

Net Change from Previous Change Order:

N/A

Contract Time Prior to this Change Order:

N/A

Net Increase of this Change Order:

N/A

Net Change of this Change Order:

Net Change of this Change Order:

\$ (412,322.20)

N/A

Contract Price with all Approved Change Orders:

Contract Time with all Approved Change Orders:

\$ 185,738.36

N/A

RECOMMENDED:

By: *Ris Rame*  
Engineer

APPROVED:

By: *M. J.*  
Owner  
AS Agent for  
PCMD #7. 1/12/18

APPROVED:

By: *[Signature]*  
Contractor

## PETITION FOR INCLUSION

In accordance with Section 32-1-401(1)(a), C.R.S., the undersigned, GKT Brighton Residential Development, L.L.C., a Missouri limited liability company (the "**Petitioner**"), does hereby respectfully petition the Prairie Center Metropolitan District No. 7 (the "**District**"), acting by and through its Board of Directors (the "**Board**"), for the inclusion of certain real property into the boundaries of the District, subject to the conditions described herein (the "**Inclusion**").

The Petitioner represents to the District as follows:

1. The land to be included consists of approximately 87.111 acres situated in the City of Brighton, Adams County, Colorado, and is legally described on **Exhibit A** attached hereto and incorporated herein by this reference (the "**Property**").
2. The Petitioner is the fee owner of one hundred percent (100%) of the Property and no other person(s), entity or entities own(s) an interest in the Property except as beneficial holder(s) of encumbrances.
3. The Petitioner hereby assents to the inclusion of the Property into the boundaries of the District and to the entry of an Order in the Adams County District Court, including the Property into the boundaries of the District (the "**Order for Inclusion**"). The Petitioner acknowledges that from and after the entry of the Order for Inclusion, the Property shall be liable for taxes, assessments, or other obligations of the District, including its proportionate share of existing bonded indebtedness of the District, subject to the conditions and limitations set forth herein.
4. The Petitioner acknowledges that the District is not required to enlarge or extend its facilities beyond those currently existing and all such enlargements or extensions are undertaken in the exercise of discretion as a governmental function in the interest of public health, safety and welfare.
5. The Petitioner acknowledges that acceptance of this petition by the District does not constitute any assurance from the District that the Property can be served by the District and acknowledges that there shall be no withdrawal of this Petition from consideration by the Board after publication of notice of the hearing therefore, without the Board's consent.
6. The Petitioner agrees that the Board may, in its sole and absolute discretion, require the Petitioner to enter into an Inclusion Agreement prior to Inclusion of the Property into the District.
7. The Petitioner agrees that it will pay, or cause to be paid, the costs incurred by the District for the Inclusion if this Petition is accepted, including the costs of publication of appropriate legal notices and legal fees and costs incurred by the District in connection with the Inclusion of the Property.

The Petitioner hereby requests that the Board approve the Inclusion of the Property into the boundaries of the District, and that the District file a motion for an order to be entered in the



Adams County District Court including the Property into the boundaries of the District such that, as of the effective date of the Order for Inclusion, the Property shall be subject to all of the taxes and charges imposed by the District, and the Property shall be liable for its proportionate share of existing bonded indebtedness of the District.

**[SIGNATURE PAGE FOLLOWS]**

[SIGNATURE PAGE TO PETITION FOR INCLUSION]

SIGNED THIS 1<sup>st</sup> DAY OF February, 2018.

PETITIONER:

GKT Brighton Residential Development, L.L.C., a Missouri  
limited liability company

By:

R. Otto Maly, Manager

Address of Petitioner:

211 North Stadium Blvd., Suite 201  
Columbia, MO 65203

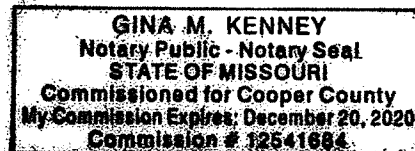
STATE OF Missouri )  
COUNTY OF Boone ) ss.

The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of  
February, 2018, by R. Otto Maly, as Manager of GKT Brighton Residential  
Development, L.L.C., a Missouri limited liability company.

Witness my hand and official seal.

My commission expires: 12-20-20

Gina M. Kenney  
Notary Public



## **EXHIBIT A**

### **Legal Description of the Property**

Lots 1 through 30, inclusive, Block 1;  
Lots 1 through 14, inclusive, Block 2;  
Lots 1 through 29, inclusive, Block 3;  
Lots 1 through 17, inclusive, Block 4;  
Lots 1 through 15, inclusive, Block 5;  
Lots 1 through 19, inclusive, Block 6;  
Lots 1 through 41, inclusive, Block 7;  
Lots 1 through 17, inclusive, Block 8;  
Lots 1 through 39, inclusive, Block 9;  
Lots 1 through 10, inclusive, Block 10;  
Lots 1 through 42, inclusive, Block 11;  
Lots 1 through 38, inclusive, Block 12;  
Lots 1 through 29, inclusive, Block 13;  
Lots 1 through 13, inclusive, Block 14;  
Lots 1 through 17, inclusive, Block 15;  
Tracts D through G, inclusive;  
Tracts I through S, inclusive;  
PRAIRIE CENTER VILLAGE I SUBDIVISION FILING NO. 1,  
City of Brighton,  
County of Adams,  
State of Colorado.

**RESOLUTION NO. 2018-04-\_\_\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**

**RESOLUTION FOR INCLUSION OF REAL PROPERTY**

A. GKT Brighton Residential Development, L.L.C., a Missouri limited liability company (the “**Petitioner**”), the 100% fee owner of the Property (hereinafter defined) has petitioned the Prairie Center Metropolitan District No. 7 (the “**District**”) for the inclusion into the District’s boundaries of the real property hereinafter described (“**Property**”).

B. Public Notice has been published in accordance with law, calling for a public hearing on the request for approval of said Petition.

C. The statutory requirements of Section 32-1-401(1)(a), C.R.S., for submission of a petition for inclusion to the Board of Directors of the District (“**Board**”), including a legal description of the Property, a statement that assent to the inclusion of the Property was obtained by the 100% fee owner thereof and acknowledgment in the same manner as required for conveyances of land, were presented to and have been satisfied and approved by the Board.

D. The District may consider the enlargement or extension of its facilities in the exercise of discretion as a governmental function in the interest of public health, safety and welfare.

E. The District is capable of serving the Property with facilities of the District.

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

1. That the Board of Directors of the District shall and hereby does order the inclusion of the Property described herein within the boundaries of the District.

2. The name and address of the Petitioner and the legal description of the Property are as follows:

Petitioner:	GKT Brighton Residential Development, L.L.C.
-------------	---

Address of Petitioner:	211 North Stadium Blvd., Suite 201 Columbia, MO 65203
------------------------	--

Legal Description:	Approximately 87.111 acres of land legally described on <u><b>Exhibit A</b></u> attached hereto and incorporated herein.
--------------------	--

3. That approval of this inclusion is further subject to the following:

(a) On and after the effective date of this inclusion (which shall be the date of recording of the Court Order approving the inclusion by the Clerk and Recorder of Adams County, Colorado, unless otherwise specified in the Court Order), the Property shall be subject to the rules and regulations of the District, and the payment of any and all taxes, fees, rates and charges of the District.

APPROVED AND ADOPTED April 4, 2018.

**PRAIRIE CENTER METROPOLITAN DISTRICT  
NO. 7**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

## **EXHIBIT A**

### **Legal Description**

Lots 1 through 30, inclusive, Block 1;  
Lots 1 through 14, inclusive, Block 2;  
Lots 1 through 29, inclusive, Block 3;  
Lots 1 through 17, inclusive, Block 4;  
Lots 1 through 15, inclusive, Block 5;  
Lots 1 through 19, inclusive, Block 6;  
Lots 1 through 41, inclusive, Block 7;  
Lots 1 through 17, inclusive, Block 8;  
Lots 1 through 39, inclusive, Block 9;  
Lots 1 through 10, inclusive, Block 10;  
Lots 1 through 42, inclusive, Block 11;  
Lots 1 through 38, inclusive, Block 12;  
Lots 1 through 29, inclusive, Block 13;  
Lots 1 through 13, inclusive, Block 14;  
Lots 1 through 17, inclusive, Block 15;  
Tracts D through G, inclusive;  
Tracts I through S, inclusive;  
PRAIRIE CENTER VILLAGE I SUBDIVISION FILING NO. 1,  
City of Brighton,  
County of Adams,  
State of Colorado.

**CERTIFICATION**

The undersigned hereby certifies that the foregoing is a true and correct copy of Resolution No. 2018-04-\_\_\_\_, Resolution of the Board of Directors of Prairie Center Metropolitan District No. 7, Resolution for Inclusion of Real Property.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Secretary

## FUNDING, ACQUISITION AND REIMBURSEMENT AGREEMENT

THIS FUNDING, ACQUISITION AND REIMBURSEMENT AGREEMENT (“**Agreement**”) is made and entered into as of October 1, 2017 (“**Effective Date**”), by and between **PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **GKT BRIGHTON RESIDENTIAL DEVELOPMENT, L.L.C.**, a Missouri limited liability company (the “**Developer**”) (each a “**Party**” and collectively, the “**Parties**”).

### RECITALS

A. The Developer owns certain property located in the City of Brighton, Colorado (“**Brighton**”) and the County of Adams, Colorado, commonly known as the Prairie Center Village I Subdivision (the “**Development**”).

B. The Development is located within the boundaries of and is to be provided with and served by certain public improvements of the District.

C. In order for development to occur within the Development, certain public improvements need to be constructed including, without limitation, transportation, street, water, sanitation, storm drainage, safety protection, parks and recreation, mosquito control, and television relay and translation improvements, as more specifically described on **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Public Improvements**”).

D. The District’s Service Plan contemplates that the District will construct, acquire, or cause to be constructed or acquired certain Public Improvements, and will provide or cause to be provided certain services (such services, together with the operation and maintenance of the Public Improvements, herein referred to as the “**District Services**”), all of which will benefit the Development.

E. The Developer and the District have determined that for reasons of economic efficiency and timeliness it is in the best interests of the District for (i) the Developer to advance funds for, construct, and/or cause to have constructed, all or any portion of the Public Improvements and/or (ii) the District to acquire the Public Improvements from the Developer.

F. The District and the Developer desire to set forth the procedures for such funding and/or construction, and for the District’s acquisition of the Public Improvements and costs of providing the District Services.

NOW, THEREFORE, in consideration of the foregoing, which shall be incorporated herein and deemed a substantive part of this Agreement, and the respective agreements of the Parties contained herein, the Parties agree as follows:

### COVENANTS AND AGREEMENTS

1. **Acknowledgement of Shortfalls**. The Parties acknowledge that the District anticipates that its near-term and intermediate-term Public Improvement design and construction



expenses, together with its District Services expenses, will exceed the District's cash flow projected to be generated by revenue from the ad valorem taxes, fees, rates and charges it is authorized to impose and collect pursuant to its Service Plan ("**District Revenues**"). As set forth in Section 2, to the extent that the District's actual expenses for any month for Public Improvements and District Services expenses (collectively, "**District Expenses**") exceed the District Revenues for that same month, such excess expense amount shall hereafter be referred to as the "**Shortfall Amount**."

2. Developer Advances for Public Improvements; Reconciliation. Developer hereby agrees to advance such funds as are necessary to pay the Shortfall Amount, subject to and in accordance with the following:

(a) By no later than October 15 of each year, the District shall prepare and deliver to the Developer a proposed budget for the following fiscal year ("**Annual Budget**"). The Annual Budget shall include projections of District Expenses and District Revenues, and shall set forth the cumulative total estimated Shortfall Amount for the applicable fiscal year. The Developer shall have forty-five (45) days to review and either approve or reject the Annual Budget in writing, which approval may include approval of all or a portion of the Shortfall Amount. Such approval, which shall not be withheld unreasonably, shall constitute the Developer's agreement to advance funds during the relevant fiscal year as provided herein, and the Developer's representation that it has sufficient available funds to fulfill its obligations under this Agreement for such fiscal year. In the event that, within forty-five (45) days of receiving the District's Annual Budget, the Developer does not communicate in writing to the District its approval of or rejection of such Annual Budget, the Developer shall be deemed to have rejected the Annual Budget. An approved Annual Budget may be thereafter amended at any time with the written consent of the Parties.

(b) The District's project manager ("**Project Manager**") shall prepare and deliver to the Developer for Developer's review and approval no later than the twentieth (20th) day of each month a report of all accounts then payable by the District in a form acceptable to the Developer ("**Monthly Report**"). The Monthly Report shall also include all amounts, if any, of District Revenues that the District received during the prior month and the Shortfall Amount, if any. Developer shall have ten (10) days from Developer's receipt of the Monthly Report to review and either approve or reject the Monthly Report in whole or in part, in writing, which approval shall not be unreasonably withheld. In connection with such review, at Developer's reasonable request, the District shall forward to Developer copies of any requested documentation to verify the amounts set forth in the applicable Monthly Report. If (no later than ten (10) days after receipt of the Monthly Report) Developer does not communicate in writing to the District its approval or rejection of the Monthly Report in whole or in part, Developer shall be deemed to have rejected the Monthly Report.

(c) Pursuant to the Developer's approval of the District's Annual Budget as provided in Section 3(a) and Developer's approval of the Monthly Report as provided in Section 3(b) no later than the tenth (10th) business day of each month, Developer shall deposit in the District's account at FirstBank in Denver, Colorado, or such other financial institution as the District may designate (the "**Account**"), an amount of good funds equal to the Shortfall Amount (less any disputed portion of the Shortfall Amount) for that month as set forth in the then current

Monthly Report. For the purposes of this Agreement, such deposit of funds by the Developer shall hereafter be referred to as a “Developer Advance.”

3. Developer Construction of Public Improvements.

(a) Construction Standards. In the event that the Developer, in its sole discretion, elects to construct or cause the construction of any portion of the Public Improvements, the Developer agrees that it shall design, construct, and complete or cause to be designed, constructed and completed, such Public Improvements in full conformance with the applicable provisions of the Comprehensive Funding Plan, Master Development Agreement, Pre-Annexation Agreement, and Intergovernmental Agreement for Prairie Center, Brighton, dated as of December 5, 2005, and recorded on December 16, 2005, in the real property records of Adams County, Colorado (the “County”) at Reception No. 20051216001378220, as amended by the First Amendment, dated as of July 7, 2009, and recorded on August 11, 2011, in the real property records of the County at Reception No. 2011000051551, the Second Amendment, dated as of February 8, 2012, and recorded in the real property records of the County on February 27, 2012, at Reception No. 2012000014188 and the Third Amendment, dated as of June 16, 2015, and recorded in the real property records of the County on August 6, 2015, at Reception No. 2015000064391, as it may be further amended or supplemented. (the “Comprehensive Agreement”), and applicable design standards and specifications as established and in use by Brighton or other appropriate governmental entity having jurisdiction over such Public Improvements, pursuant to the provisions of this Agreement; provided, however, Developer’s obligation, on an annual basis, to design, construct, and complete or cause to be designed, constructed and completed, the Public Improvements is limited to that portion of the Public Improvements set forth in the applicable Annual Budget.

(b) Procedure.

(i) Construction Contract Requirements. Any construction contract for all or any portion of the Public Improvements that are to be dedicated to Brighton or other applicable governmental entity shall require the contractor to provide a warranty for a minimum of two (2) years after initial/construction acceptance by the appropriate accepting jurisdiction. To the extent the Comprehensive Agreement requires a warranty period of greater than two (2) years, Developer shall make commercially reasonable efforts to assure that the applicable construction contract(s) require the contractor to provide a warranty for such extended timeframe.

(ii) Verification of Costs. Prior to requesting the District acquire any Public Improvements pursuant to this Agreement, the District shall obtain a certification of an independent engineer that the costs for the design, construction and completion of the Public Improvements are reasonable and comparable for similar projects as constructed in the Denver metropolitan area.

(c) Acquisition.

(i) The District agrees to acquire from the Developer Public Improvements constructed or caused to be constructed by the Developer, subject to receipt of the

information and documents required under subsection (ii) below. It is the intent of the District to reimburse the Developer for Capital Costs incurred in the construction of such Public Improvements. For purposes of this Agreement, "Capital Costs" shall include, but are not limited to, all costs of design, testing, engineering, acquisition, construction and/or project management, related consultant fees, and construction management, whether such costs are incurred by the Developer in the construction of Public Improvements to be acquired by the District or constitute Developer Advances made by the Developer to the District for District construction of Public Improvements.

(ii) For those Public Improvements that will be acquired by the District, the Developer shall provide the District with invoices of all Capital Costs together with evidence of the date that payment was made by the Developer. The District will acquire such Public Improvements upon receipt, review and approval by the District's accountant and engineer of the following:

- a) As-built drawings for the Public Improvements to be conveyed by the Developer;
- b) Lien waivers and indemnifications from each contractor verifying that all amounts due to contractors, subcontractors, material providers or suppliers have been paid in full, in a form reasonably acceptable to the District;
- c) An assignment from Developer to the District of any warranties associated with the Public Improvements (if such warranties are assignable), in a form reasonably acceptable to the District;
- d) Copies of all contracts, pay requests, change orders, invoices, the final AIA payment form (or similar form), canceled checks and any other reasonably requested documentation to verify the amount requested; and
- e) An executed Bill of Sale conveying the Public Improvements to the District, in a form substantially in the form attached hereto as Exhibit B.

Additionally, for those Public Improvements that the District will dedicate to Brighton or the appropriate accepting governmental entity, the District shall acquire the Public Improvements after "preliminary/construction acceptance" but prior to "final acceptance" of Brighton or the appropriate accepting governmental entity.

4. Reimbursement; Funding.

(a) Generally. The District hereby agrees that it is its intention to repay the amounts the Developer has advanced or directly paid pursuant to this Agreement, to the extent it has funds available from the imposition of its taxes, fees, rates, tolls, penalties and charges, and from any other revenue legally available, after the payment of its annual debt service obligations and annual operations and maintenance expenses. Interest shall accrue on Developer Advances and Capital Costs incurred by the Developer for constructing or causing construction of Public Improvements at the rate of three percent (3%) per annum above the rate announced by Bank of America, N.A., St. Louis, Missouri (or its successor) as its "Prime Rate," compounding semi-annually. Interest shall accrue from the date of each Developer Advance and, with respect to Capital Costs, the date such Capital Costs are incurred by the Developer. In addition, at the Developer's discretion, the District shall pay an additional funding fee of one percent (1%) on amounts outstanding twenty-four (24) months from funding, said fee being charged once every twenty-four (24) months while said amounts remain outstanding. Payments by the District to the Developer shall credit first against accrued and unpaid interest, then to any funding fees as set forth herein, and then to the principal amount due. The obligations of the District contemplated in this Agreement are subject to annual appropriation and shall not be deemed to be multiple-fiscal year obligations for the purposes of Article X, Section 20 of the Colorado Constitution. Notwithstanding the foregoing sentence, the District intends that it will annually appropriate funds in order to fulfill its obligations under this Agreement. To the extent that any amounts are still owed to Developer under this Agreement after the District's initial or any subsequent bond issue, any obligation to pay Developer such amounts will be subordinate to any bonds thereafter issued by the District.

(b) Reimbursement of Capital Costs. The District agrees to exercise commercially reasonable efforts to issue bonds in an aggregate amount sufficient to pay Capital Costs owed to Developer hereunder; provided, however, the foregoing shall not be interpreted nor construed as in any way limiting the District from reimbursing the Developer for Capital Costs from other legally available sources of revenues of the District.

5. Benefited Property. The Parties acknowledge and agree that their respective duties and obligations and liability therefore set forth herein are limited to those duties and obligations that directly benefit and are directly related to the Development, and no such duties or obligations otherwise exist with respect to any property not a part of the Development.

6. Representations.

(a) Developer. The Developer hereby represents and warrants to and for the benefit of the District:

(i) That it has the full power and legal authority to enter into this Agreement; and

(ii) Neither the execution and delivery of this Agreement nor the compliance by the Developer with any of its terms, covenants or conditions is or shall become a

default under any other agreement or contract to which the Developer is a party or by which the Developer is or may be bound; and

(iii) The Developer has taken or performed all requisite acts or actions which may be required by the organizational or operational documents to confirm its authority to execute, deliver and perform each of its obligations under this Agreement.

These representations and warranties are made as of the date hereof and shall be deemed continually made by the Developer to the District for the entire term of this Agreement.

(b) District. The District hereby represents and warrants to and for the benefit of the Developer:

(i) That it has the full power and legal authority to enter into this Agreement; and

(ii) Neither the execution and delivery of this Agreement nor the compliance by the District with any of its terms, covenants or conditions is or shall become a default under any other agreement or contract to which the District is a party or by which the District is or may be bound; and

(iii) The District has taken or performed all requisite acts or actions which may be required by the organizational or operational documents to confirm its authority to execute, deliver and perform each of its obligations under this Agreement.

These representations and warranties are made as of the date hereof and shall be deemed continually made by the District to the Developer for the entire term of this Agreement.

7. Term. The term of this Agreement shall commence on the Effective Date and continue until terminated by mutual written agreement of the Parties, but subject to the following:

(a) The Developer's funding obligations hereunder are subject to Developer's annual approval of the Annual Budget as set forth in Section 3(a) and Developer's approval of the Monthly Reports as set forth in Section 3(b); and

(b) The District's obligation to reimburse the Developer for any Developer Advance or Capital Costs shall expire upon the earlier to occur of (i) reimbursement in full of each such Developer Advance or Capital Cost with interest and funding fees, if applicable, or (ii) forty (40) years after the date such Developer Advance was remitted to the District or Capital Cost was incurred.

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 the District:	Prairie Center Metropolitan the District 141 Union Blvd., Suite 150 Lakewood, CO 80228 Attention: Deborah D. McCoy Phone: 303-987-0835 Email: <a href="mailto:afinn@sdmsi.com">afinn@sdmsi.com</a>
With a copy to:	McGeady Becher P.C. 450 E. 17 <sup>th</sup> Ave., Suite 400 Denver, CO 80203 Attention: MaryAnn McGeady Phone: 303-592-4380 Email: <a href="mailto:mmcgeady@specialdistrictlaw.com">mmcgeady@specialdistrictlaw.com</a>
To Developer:	GKT Brighton Residential Development, L.L.C. c/o The Kroenke Group 211 N. Stadium Blvd., Suite 201 Columbia, MO 65203 Attention: R. Otto Maly Phone: 573-449-8328 Email: <a href="mailto:otto@thekroenkegroup.com">otto@thekroenkegroup.com</a>
With copies to:	Otten, Johnson, Robinson, Neff & Ragonetti, P.C. 950 17th Street, Suite 1600 Denver, CO 80202 Attention: Kimberly Martin Phone: 303-575-7552 Email: <a href="mailto:kmartin@ottenjohnson.com">kmartin@ottenjohnson.com</a>

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.

9. Assignment. The Developer 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 ineffectual.

10. Default/Remedies. In the event of a breach or default of this Agreement by either Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the

prevailing Party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

11. Governing Law; Venue; Construction. This Agreement shall be governed and construed under the laws of the State of Colorado. To reduce the cost of and to expedite the resolution of disputes under this Agreement, the Parties hereby agree that any dispute relating to the enforcement or interpretation of this Agreement shall be decided by binding arbitration before a three-member panel, which members shall include persons having expertise in the matters set forth in this Agreement, including, without limitation, Title 32 special districts, engineering and construction of public infrastructure and financing of the same. In the event of ambiguity in this Agreement, any rule of construction which favors one Party's interpretation as a non-drafting Party will not be applied, and the ambiguous provision will be interpreted as though neither Party was the drafter.

12. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

13. 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.

14. 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 Developer unless the same is in writing and duly executed by the Parties hereto.

15. 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 Developer 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 Developer shall be for the sole and exclusive benefit of the District and the Developer.

16. 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.

17. 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.

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


19. Certification of Compliance with Illegal Alien Statute. By its execution hereof, the Developer confirms and ratifies all of the certifications, statements, representations and warranties set forth in Exhibit C attached hereto and made a part hereof by this reference.

**[SIGNATURE PAGE 1 OF 2 TO  
FUNDING, ACQUISITION AND REIMBURSEMENT AGREEMENT]**

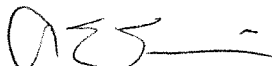
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first set forth above.

DISTRICT NO. 3:

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

By:   
Michael Tamblyn, President

Attest:

  
Ann Finn, Secretary



**[SIGNATURE PAGE 2 OF 2 TO  
FUNDING, ACQUISITION AND REIMBURSEMENT AGREEMENT]**

DEVELOPER:

GKT BRIGHTON RESIDENTIAL  
DEVELOPMENT, L.L.C., a Missouri limited  
liability company

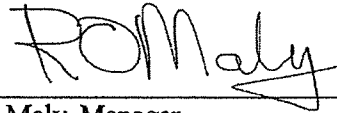
By: \_\_\_\_\_  
R. Otto Maly, Manager

**[SIGNATURE PAGE 2 OF 2 TO  
FUNDING, ACQUISITION AND REIMBURSEMENT AGREEMENT]**

DEVELOPER:

GKT BRIGHTON RESIDENTIAL  
DEVELOPMENT, L.L.C., a Missouri limited  
liability company

By:

A handwritten signature in black ink, appearing to read "R. Otto Maly", written over a horizontal line.

R. Otto Maly, Manager

**EXHIBIT A**  
**PUBLIC IMPROVEMENTS**

“Public Improvements” are as defined in that certain Prairie Center Village I Subdivision Filing No. 1 Development Agreement by and among the City of Brighton, Colorado, the District and GKT Residential Development, L.L.C., dated as of December 19, 2017, and recorded in the real property records of Adams County, Colorado, on December 28, 2017, at Reception No. 2017000114001 (and as the same may be modified or amended from time to time, the **“Development Agreement”**). Public Improvements generally include transportation, street, water, sanitation, storm drainage, safety protection, parks and recreation, mosquito control, and television relay and translation improvements the District is authorized to construct and finance under its Service Plan and/or required to construct under the Development Agreement.

**EXHIBIT B  
FORM OF BILL OF SALE**

KNOW ALL BY THESE PRESENTS that GKT Brighton Residential Development, L.L.C., a Missouri limited liability company ("Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, has bargained and sold, and by these presents does grant and convey unto Prairie Center Metropolitan District No. 7, a quasi-municipal corporation and political subdivision of the State of Colorado ("the District"), its successors and assigns, all of Grantor's right, title and interest in and to the facilities, personal property and the improvements shown on Exhibit A attached hereto and incorporated herein by this reference ("Improvements"), which Improvements are granted, conveyed and assigned in "AS IS" condition with no warranties expressed or implied whatsoever except to the extent warranties are assignable to the District as expressly set forth in Exhibit B attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Grantor executes this Bill of Sale this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

GRANTOR:

GKT BRIGHTON RESIDENTIAL  
DEVELOPMENT, L.L.C., a Missouri limited  
liability company

By: \_\_\_\_\_  
R. Otto Maly, Manager

STATE OF COLORADO )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_, by R. Otto Maly as Manager of GKT Brighton Residential Development, L.L.C., a  
Missouri limited liability company.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

**Exhibit A**  
**IMPROVEMENTS**

**Exhibit B**  
**WARRANTIES**

## EXHIBIT C

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

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

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

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

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

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

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

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

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

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

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



## PROJECT MANAGEMENT AGREEMENT

This **PROJECT MANAGEMENT AGREEMENT** ("Agreement") is made as of the 1<sup>st</sup> day of October, 2017, by and among PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7, a quasi-municipal corporation and political subdivision of the State of Colorado ("**District**"), and GKT Brighton Residential Management, L.L.C. a Missouri Limited Liability Company ("**Project Manager**") (each a "**Party**" and, collectively, the "**Parties**").

### RECITALS

A. The District has been organized to provide for the construction and installation of certain public infrastructure improvements ("**Improvements**") in accordance with its Service Plan, as approved by the City of Brighton, Colorado, on February 21, 2006, as the same has been amended and restated on November 4, 2008, as the same has been modified by non-material modification effective April 14, 2013, and may be amended from time to time.

B. The District is authorized to enter into contracts and agreements affecting the affairs of the District.

C. The District desires to contract for the provision of certain of its management responsibilities relating to the construction and installation of the Improvements.

D. The Project Manager has experience and expertise in infrastructure planning and implementation.

E. The District has determined that it is in the best interests of the District to engage the Project Manager to plan and coordinate the construction and installation of the Improvements.

NOW, THEREFORE, in consideration of the foregoing and the respective agreements of the Parties contained herein, the Parties agree as follows:

### COVENANTS AND AGREEMENTS

#### Section 1. Scope of Services

1.1 Independent Contractor. The District hereby retains the Project Manager as an independent contractor, as defined in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Project Manager or any of its employees, agents, subcontractors or suppliers as employees of the District. The project management services to be performed by the Project Manager 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 Project Manager for the services performed as provided herein. The District shall not be responsible for the Project Manager's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Project Manager is not entitled to worker's compensation benefits from the District and the Project**

**Manager is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.2 Project Manager Services. The Project Manager shall provide all management services relating to the planning, design, construction and installation of and obtaining municipal approval for Improvements, subject to the provisions of this Agreement provided, however, that the District shall be obligated to furnish through separate contracts with such other individuals and/or firms to provide professional services as the District determines may be necessary to assist the Project Manager in its performance of the services described herein. Such other professional service providers which the District will provide at its sole expense may include, but are not limited to, those who are certified or otherwise qualified to provide legal, accounting, auditing, engineering and inspection services. Services to be provided by the Project Manager shall include, but not be limited to, the sole and exclusive responsibility to:

(a) Initiate the selection and supervise the work of design, engineering and such other consultants as are necessary to construct and install the Improvements.

(b) With respect to construction and installation of the Improvements, prepare or cause to be prepared design phase schedule(s), program budget, schematic plat, preliminary plat, engineering plan, cost estimates, general development plans and sub-area plans. Additionally, as part of the District's annual budget process, the Project Manager shall: prepare an annual estimate of costs, proposed method of funding and anticipated critical path for the Improvements to be planned, designed, acquired, constructed or installed within the fiscal year; verify that proposed contract costs are within the District's fiscal year budget and critical path for contract completion; verify the availability of funds and the source of such funds to fund the contract together with any management fee or other related costs.

(c) Coordinate site surveys, environmental remediation, and soils and environmental testing.

(d) Manage compliance with applicable provisions of the laws, rules and regulations of all governing jurisdictions. These include, but are not limited to: assuring that all work performed by contractors complies with the Service Plan and rules and regulations of the District, as the same may be amended from time to time; obtaining all necessary permits and approvals from the City of Brighton, Colorado ("City"); and monitoring design conformance with applicable City codes and regulations. In addition to assuring the Improvements are constructed in compliance with applicable requirements of the District, City and other governmental entities with jurisdiction, the Project Manager shall assure completed Improvements are operated and maintained in compliance with such requirements and for preparing such documentation as is required prior to dedication of Improvements to the City.

(e) Manage compliance with applicable utility providers' requirements.

(f) Supervise on the District's behalf the performance of R.G. Brinkmann Company (or any successor) of its obligations as set forth in that certain Construction Management Agreement by and between the District and R.G. Brinkmann Company, dated October 1, 2017.

(g) Analyze change orders and present to the District for approval by the District Board of Directors (the "**Board**") any change orders that, if approved by the Board, would increase Improvement construction and installation costs or otherwise obligate the District financially or legally.

(h) Establish and maintain a cost control system; document all work performed related to the construction and installation of the Improvements; prepare and submit to the District periodic reports concerning the status of contract completion for each contract including actual costs as compared with estimated costs and actual completion as compared with critical path projections; prepare and submit to the District monthly reports that include any deviation in contract performance.

(i) Provide financial services to the District including: under the Board's direction, prepare information and present recommendations to the District's accountant and other consultants necessary for the preparation of current financial forecasts; prepare cost estimates and funding plans as required under any District agreements with other entities; coordinate the phasing of District debt, including debt issuance and documentation; assist in the closing of District debt; and coordinate spending and reporting matters with the District and bond trustees after closing.

(j) Negotiate, in consultation with the District and on the District's behalf, with the City and all of its agencies, representatives, consultants, engineers or other individuals and entities necessary to effectuate Improvement construction and to review development agreements; provided, however, that the Board retains the authority, unless expressly delegated to the Project Manager, to approve development agreements, contracts, deeds, licenses and permits or other agreements obligating the District in any respect.

1.3 Account Management Services. The Project Manager shall be responsible for providing account management services for the District, consistent with and in compliance with (i) all applicable statutes, (ii) the District's budget, rules, regulations and policies, (iii) all applicable provisions of contracts and agreements between the District and other third parties to whom the District may be required to make payment for services and goods including, but not limited to, contractors, consultants and suppliers, and (iv) generally accepted account management standards. The Parties acknowledge that, pursuant to that certain Facilities Funding and Acquisition Agreement by and between the District and GKT Brighton Residential Development, L.L.C. (the "**Developer**"), dated October 1, 2017 ("**Funding Agreement**"), the Developer has assumed the obligation to pay certain Improvement construction and installation and operations and maintenance costs incurred by the District. Accordingly, until such time as the District has fully reimbursed the Developer pursuant to the Funding Agreement or unless otherwise agreed by the Parties hereto, the following procedures shall apply to expenditures made by the District.

(a) The District shall cause all invoices for expenses incurred by the District to be delivered to the Project Manager.

(b) The Project Manager shall review each invoice to determine the invoice amounts that may be paid by the District with District funds ("**Reimbursable Costs**"), subject to the requirements set forth above in this Section 1.3.

(c) By the 20th day of each month, the Project Manager shall prepare and transmit to the Developer a report of all accounts then payable by the District which the Project Manager has determined are Reimbursable Costs.

(d) Pursuant to the Developer's obligations set forth in the Funding Agreement, on or before the last day of each month, the Developer shall cause the deposit by check of an amount of good funds that is no less than the sum of the accounts then payable as reported by the Project Manager pursuant to subsection (c) above to the District's account at FirstBank in Denver, CO, and provide notice to the Project Manager of such deposit.

(e) On or before the last day of each month, the Project Manager shall prepare and deliver by courier to the District's accountant, CliftonLarsonAllen (the "**Accountant**"):

(i) A check for the payment of each then outstanding Reimbursable Cost; and

(ii) A recommendation for payment in a form acceptable to the District for each Reimbursable Cost ("**Payment Recommendation**"). The Project Manager shall provide for each Payment Recommendation such information and documentary evidence as is necessary and as required by the District or the Accountant to establish that the Reimbursable Cost to be paid (i) has not previously been paid, (ii) is a reasonable amount to pay for the goods or services received, and (iii) the purchase of and payment for such goods or services was authorized in the District's Service Plan and by the Board pursuant to the District's annual budget.

(f) The Project Manager shall be responsible for supervising the work of the Accountant which shall include, but not be limited to:

(i) Causing the proper execution of warrants;

(ii) Timely payment of accounts payable;

(iii) Presenting Payment Recommendations to the Board for the Board's approval;

(iv) Maintaining complete and accurate accounting records for the District; and

(v) Providing such reports and information as may be required by the Board.

(g) The District and its representatives shall have the right to inspect, investigate, examine and audit at any time and without notice to the Project Manager any and all

financial records related to the District's account(s) which have been received by, prepared by and/or are in the possession of the Project Manager.

(h) In the event that any person or entity asserts a claim for payment from the District that the Board or a court of competent jurisdiction finds is a valid claim against the District and such claim is not paid in a timely manner as a result of an act or omission by the Project Manager pursuant to its account management obligations herein, the Project Manager hereby agrees that it shall be responsible for any interest or finance charge that would otherwise be the obligation of the District and shall indemnify and defend the District against any such claim, including reasonable attorney's fees and costs.

1.4 Additional Management Services. Additional management services may be added hereunder with the written approval of the Parties.

1.5 Performance of Services.

(a) The Project Manager shall perform the services specified herein in such manner as may be reasonably required to cause the construction and installation of the Improvements to be initiated and completed in a timely manner in accordance with:

(i) The District's Service Plan, annual budget, rules, regulations and policies, as each may be amended from time to time;

(ii) The District's contractual obligations to other governmental entities and third parties; and

(iii) All applicable laws, rules and regulations of such local, state and federal governmental agencies having jurisdiction over the construction and installation of the Improvements.

(b) The Project Manager shall report to the Board any material breach within ten (10) calendar days of first having knowledge of such material breach of contract committed by any contractor, engineer or consultant, or the Developer with respect to its obligations under the Funding Agreement.

(c) The Project Manager shall report to the Board any significant breach or violation of this Agreement by the Project Manager within ten (10) calendar days of first having knowledge of such significant breach or violation; provided that the Project Manager's failure to report its own breach or violation of this Agreement shall not constitute a default hereof, if the Project Manager has a reasonable basis to deny such breach.

(d) The District and its representatives shall have the right to inspect, investigate, examine and audit any Improvement construction or installation activity at any time without prior notice to the Project Manager.

(e) The Project Manager shall furnish approved contracts, plans and specifications for the Improvements to the District or its representative upon request.

## Section 2. Indemnification and Insurance

2.1 Required Coverage. At all times during the term of this Agreement, the Project Manager shall carry:

2.2 Indemnification. The Project Manager 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 Project Manager and/or its agents, representatives, subcontractors, or suppliers.

2.3 Insurance Requirements. The Project Manager 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 Project Manager shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Project Manager shall give notice to the District as soon as practicable, of any modification of any such policies which impact the specific coverage items required by this Section 2. Project Manager’s cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Project Manager. The Project Manager shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Project Manager shall furnish the District with certificates evidencing such insurance. The District shall not pay any invoices until Project Manager Consultant provides the certificates evidencing such insurance.

(a) Liability Insurance Coverage.

(i) Workers’ Compensation Insurance. A Workers’ Compensation Insurance Policy as required by statute in form and substance reasonably acceptable to the District and in an amount as may be required by statute. Any Workers’ Compensation Insurance Policy, or an endorsement to such policy, that is obtained by the Project Manager, as required by law, 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; 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 2.3(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(v) Professional Liability Insurance Coverage. The Project Manager 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 Project Manager shall be solely responsible for the payment of all deductibles. Project Manager's deductibles or Project Manager's self-insured retentions shall be approved by the District.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Project Manager fails to furnish and maintain insurance as required by this Section 2.3, the District may purchase such insurance on behalf of the Project Manager and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Project Manager, and the Project Manager 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 Project Manager 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 Project Manager 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 Project Manager from any obligations, responsibilities or liabilities under this Agreement.

2.4 Additional Insured. At all times during the term of this Agreement, the District shall be listed as an additional insured on the Project Manager's general liability insurance policy.

2.5 Evidence of Insurance. The Project Manager shall cause a current certificate of insurance coverage to be executed by its insurance company and filed with the District to evidence compliance with the insurance provisions set forth in this Section 2. The Project Manager shall not cancel any policy that is required herein without giving written notice to the District of the intent to cancel such policy not less than forty-five (45) days in advance of the anticipated cancellation date.

### Section 3. Compensation

3.1 Project Management Fee. As compensation for services provided by the Project Manager as set forth herein, the District shall pay the Project Manager four percent (4%) of the Actual Cost of the Improvements. For the purposes of this Agreement, "Actual Cost" shall mean: contractor fees and charges; cost of labor, services, materials and supplies used in constructing the Improvements; purchase cost of machinery, equipment, facilities, rolling stock and ancillary items; utility services costs; cost of demolishing, removing or relocating any building or structure in order to construct; cost of preparing surveys, cost estimates, appraisals, plans and specifications; fees for architectural, engineering, legal, supervisory and consulting services; geotechnical and environmental testing and services; planning and development costs related to the Improvements; cost of obtaining governmental and regulatory permits, licenses, franchises and approvals or fees; and environmental remediation costs.

3.2 Payment of Management Fees. The Project Manager shall submit a monthly statement for all fees payable hereunder. The District shall pay such fees, unless in dispute, as follows:

(a) Prior to the time that the District has sufficient funds from legally available sources to pay such fees, the District shall make payment (i) after receipt of the monthly statement and (ii) on or before ten (10) days after the date that sufficient funds therefor have been advanced to the District by Developer; and

(b) When the District has sufficient funds from legally available sources (other than Developer advances) to pay such fees, the District shall make payment on or before thirty (30) days after the invoice date. Any unpaid amount under (a) or (b) of this Section 3.2 shall accrue interest at the rate of two percent (2%) per annum above the "prime rate" announced by Bank of America, N.A., St. Louis, MO (or its successor).

(c) During any period that the Project Manager has failed to perform any service specified hereunder, has been provided with written notice of default relating thereto under Section 5.1, and is in the process of curing such default, the District shall continue to make all payments due to the Project Manager under this Agreement, except that the District may deduct from its payments to the Project Manager all reasonable costs and expenses incurred by



the District in connection with its continued operations during such period and incurred because of the Project Manager's failure to perform services hereunder. The Project Manager will continue to perform all services specified herein during such cure period, until any cure of default is satisfactorily completed and normal operations are resumed. At such time as an uncured default is declared under Section 5.1, the District may withhold payment of any fees currently owing to the Project Manager. To the extent that any fees then currently owed to the Project Manager would otherwise be paid from Developer advances, the Project Manager will exclude such amounts from its payment of Developer advances to the District.

(d) All fees payable hereunder shall be subject to all limits set forth in the ballot question authorizing this Agreement.

3.3 Payment of Costs. The Project Manager shall submit a monthly statement for all costs paid to other persons for operating and maintaining the completed Improvements, if not transferred to the City or another agency, in accordance with the procedures specified in Section 3.2. The District shall preapprove the incurrence of such costs. The Project Manager shall formulate a process for the expedient approval of operating and maintenance contracts and present such process to the Board for review and approval.

#### Section 4. Term

4.1 Term. The Term of this Agreement shall be for one (1) year, commencing as of the date of this Agreement, and shall renew annually thereafter for a period of twenty (20) years, unless either Party gives written notice of termination at least ninety (90) days in advance of the end of the current term. In the event of such notice of termination, this Agreement shall terminate on the last day of the final month of the current term.

4.2 Early Termination. This Agreement may be terminated by either Party in the event that:

(a) The Project Manager becomes insolvent or files for bankruptcy, makes a general assignment for the benefit of creditors, or has a receiver appointed to administer its business; or

(b) A breach or default of this Agreement by the other Party has occurred that is not cured within any applicable cure period as provided in Section 5.1, subject to the completion of all dispute resolution proceedings under Section 4.4.

4.3 Effect of Termination. In the event of termination of this Agreement for any reason, the District shall pay all fees due to the date of termination.

#### 4.4 Dispute Resolution.

(a) Claims, disputes or other matters in question between the Parties arising out of or relating to this Agreement or breach thereof shall be subject to and decided by arbitration in accordance with the Rules of the Judicial Arbitrator Group currently in effect unless the parties mutually agree otherwise. The award rendered by the arbitrator(s) shall be final, and

judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

(b) Any cure period under Section 5.1 will be tolled during the pendency of the dispute resolution process.

## Section 5. Default and Remedies

5.1 Default. 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-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) to terminate this Agreement as of any specified date.

## Section 6. Miscellaneous Provisions

6.1 Titles of Sections. Any title of the several parts and sections of this Agreement are inserted for convenience or reference only and shall be disregarded in construing or interpreting any of its provisions.

6.2 No Third-Party Beneficiary. No third-party beneficiary rights shall be created in favor of any person not a Party to this Agreement, unless the Parties mutually agree otherwise in writing.

6.3 Applicable Law and Venue. The laws of the State of Colorado shall govern the interpretation and enforcement of this Agreement. Venue shall be exclusive to the State District Court in and for the City.

6.4 Assignment. This Agreement shall not be assigned by either Party without the written consent of the other Party. This Agreement shall be binding on the Parties, their successors and assigns.

6.5 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable, in whole or in part, under present or future laws effective during the Term, such provision shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by the severance of such provision from this Agreement.

6.6 Amendments. This Agreement may be amended, in whole or in part, by written instrument executed by the Parties. Each amendment, which is in writing and signed and delivered by the Parties, shall be effective to amend the provisions hereof.

6.7 Entirety. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and replaces in their entirety any prior agreements, understandings, warranties or representations between the Parties with respect to the subject matter hereof.

6.8 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

6.9 Notices. A notice or demand made under this Agreement by either Party to the other Party shall be in writing and shall be deemed sufficiently given if delivered in person, by prepaid, overnight express mail or national overnight courier service, or if forwarded by registered or certified mail, postage prepaid, return receipt requested and addressed as follow:

(a) To the District:

Prairie Center Metropolitan District No. 7  
141 Union Blvd., Suite 150  
Lakewood, CO 80228  
Attention: Ann Finn

With a copy to:

McGeady Becher P.C.  
450 E. 17<sup>th</sup> Ave., Suite 400  
Denver, CO 80203  
Attention: MaryAnn M. McGeady

(b) To the Project Manager:  
GKT Brighton Residential Management, L.L.C.  
211 N. Stadium Blvd, Suite 201  
Columbia, MO 65203  
Attention: Manager

or to such other address with respect to either Party as such Party may, from time to time, designate in writing and forward to the other as provided in this Section. Notices shall be deemed given upon such personal, courier or express mail delivery, or on the third business day following deposit in the U.S. Mail as provided herein.

6.10 Days. Unless the context indicates differently, all references herein to days shall be to calendar days, and all references to periods of time shall be to consecutive days or continuous periods of time. If the day for any performance or event provided for herein is a

Saturday, Sunday or other day on which either national banks or the office of the Clerk and Recorder of the City are not open for the regular transaction of business, such day shall be extended until the next day on which such banks and office are open for the transaction of business. All times shall be of the essence.

IN WITNESS WHEREOF, the Parties have executed this Project Management Agreement as of the date first above written.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**[SIGNATURE PAGE 1 OF 2 TO PROJECT MANAGEMENT AGREEMENT]**

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

\_\_\_\_\_  
Michael Tamblyn, President

Attest:

\_\_\_\_\_  
Secretary

(S E A L)

**[SIGNATURE PAGE 2 OF 2 TO PROJECT MANAGEMENT AGREEMENT]**

**GKT BRIGHTON RESIDENTIAL  
MANAGEMENT, L.L.C., a Missouri Limited  
Liability Company**

  
\_\_\_\_\_  
R. Otto Maly, Manager

**EXHIBIT A**  
**CERTIFICATION OF PROJECT MANAGER**

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

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

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

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

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

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

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

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

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

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

7. If the Project Manager violates any provision of Section 8-17.5-102(1), C.R.S., the District may terminate the Agreement immediately and the Project Manager shall be liable to

the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by the Project Manager to the Colorado Secretary of State, as required by law.



**[SIGNATURE PAGE 1 OF 2 TO  
FUNDING, ACQUISITION AND REIMBURSEMENT AGREEMENT]**

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

DISTRICT NO. 3:

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

By:   
Michael Tamblyn, President

Attest:

\_\_\_\_\_  
Ann Finn, Secretary

## CONSTRUCTION LICENSE AGREEMENT

THIS CONSTRUCTION LICENSE AGREEMENT (“**Agreement**”) is made and entered into as of the 7th day of December, 2017, by and between **GKT BRIGHTON RESIDENTIAL DEVELOPMENT, L.L.C.**, a Missouri limited liability company (the “**Grantor**” or “**GKT**”) and **PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**Grantee**” or “**District**”).

### RECITALS

A. The District is constructing certain public infrastructure improvements (the “**Improvements**”) that will be located on or adjacent to, and will benefit, certain real property owned by GKT as more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the “**Premises**”).

B. The District has requested a license to access the Premises as necessary for ingress, egress, construction staging, movement of construction equipment and construction of the Improvements, and GKT desires to grant to the District such license for the use and benefit of the District for such purposes, subject to the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing and the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant. For and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, GKT hereby grants, bargains, sells and conveys to the District, for its use and the use of its contractors, subcontractors, successors and assigns (collectively, “**Permittees**”), a non-exclusive license (the “**License**”) in, through, over, under and across that the Premises for the purposes of

construction, installation and maintenance of the Improvements, including, but not limited to, vehicular and pedestrian ingress and egress (including construction vehicles), roadway and streetscape construction, landscaping removal, relocation and installation, removal and replacement of fences, utility installation, surface grading and regrading, and the transport, stockpiling and storage of construction materials, equipment and vehicles.

2. Certain Reserved Rights. GKT reserves the rights to use the Premises and to grant further licenses, easements and other interests in the Premises to persons and entities other than the District so long as such interests and uses do not materially or unreasonably interfere with the use of Premises by the District and its Permittees under the License.

3. Term. Subject to this Section 3, the term of the License shall begin as of the date first written above and shall continue for rolling 12-month terms until the earlier to occur of: (i) either party giving written notice of termination of this Agreement to the other party no later than 30 days prior to the end of the applicable 12-month term; or (ii) mutual written agreement of the parties to terminate this Agreement. Upon the earlier occurrence of either (i) or (ii) above, this Agreement and the License shall automatically terminate and be of no further force or effect. Notwithstanding the foregoing, contemporaneously with Grantor's conveyance to third party(ies) of all or any portion of the Premises from time to time (the "**Conveyed Premises**"), this Agreement and the License shall automatically terminate as to the Conveyed Premises without further act of the parties.

4. Future Easements. Within a reasonable time of the District's written notice to GKT of the District's intended construction and installation, or completion of construction and/or installation, of all or any of the Improvements, which notice shall include a legal description of the location of such planned or constructed Improvements (each an "**Easement**

Area”), the parties will cooperate in good faith to negotiate, finalize and enter into one or more easement agreements or other instruments, pursuant to which GKT (to the extent GKT is the fee owner of the Easement Area) will grant to the District a permanent non-exclusive easement or other interest in the Easement Area for the on-going operation, maintenance and repair of such Improvements, if applicable.

5. Title; Inurement. GKT covenants that it has full legal right and lawful authority to make the grant herein contained. Each and every one of the benefits and burdens of this Agreement shall inure to and be binding upon the parties, their respective legal representatives, heirs, administrators, successors and assigns.

6. Restoration of Premises. Except as permanently modified as necessary by the District’s installation and construction of the Improvements, the District promptly shall restore the surface of the Premises to its condition existing prior to the effective date of this Agreement or as near thereto as reasonably possible, and shall repair any damage to the Premises and Grantor’s improvements, fixtures and personal property thereon.

7. Safety Measures. The District shall make reasonable efforts to cause all Permittees doing work on or about the Premises to take reasonably necessary and appropriate safety measures with respect to all activities on or about the Premises, and shall require that all such Permittees name GKT as an additional insured on all insurance policies relating to the installation, construction, maintenance, repair, replacement and removal of the Improvements.

8. Indemnification. To the maximum extent permitted by applicable law, the District shall indemnify and hold GKT harmless from and against any and all loss, cost, expense (including attorneys' fees), claims, demands, causes of action, liability, and damages arising from third-party claims against GKT (collectively, “**Claims**”) which result from or arise out of any act

or omission of the District, its Permittees or any other persons or entities occupying the Premises by, through, or under the District in any way related to the use of the License including, but not limited to, the construction activities conducted in connection therewith occurring on the Premises; provided, however, such indemnification shall not extend to any Claims to the extent caused by GKT's negligence or willful misconduct.

9. Notice and Cure. If either party breaches or otherwise fails to perform its obligations under this Agreement and fails to cure such breach within 30 days after such party receives written notice thereof or, if such breach is not reasonably capable of being cured within such period, to commence and diligently continue its efforts to cure said breach within 30 days after notification by the non-breaching party of such breach, the non-breaching 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 attorney's fees.

10. Notices. All notices or other communications required or permitted to be given hereunder shall be in writing. Such items shall be deemed to have been duly delivered upon (i) personal delivery; (ii) as of the third business day after mailing by United States mail, certified, return receipt requested, postage prepaid, addressed as follows; or (iii) as of 12:00 noon on the immediately following business day after deposit with FedEx or a similar overnight courier service, addressed as follows:

If to GKT: GKT Brighton Residential Development, L.L.C.  
211 N. Stadium Boulevard, Suite 201  
Columbia, MO 65203  
Attention: Otto Maly

With required copies to:

GKT Brighton Residential Development, L.L.C.  
211 N. Stadium Boulevard, Suite 201  
Columbia, MO 65203  
Attention: General Counsel

Otten, Johnson, Robinson, Neff & Ragonetti, P.C.  
950 17th Street, Suite 1600  
Denver, CO 80202  
Attention: Kim Martin

If to District: Prairie Center Metropolitan District No. 3  
141 Union Blvd., Suite 150  
Lakewood, CO 80228  
Attention: Ann Finn

With a required copy to:

McGeady Becher, P.C.  
450 E. 17th Avenue, Suite 400  
Denver, CO 80203-1214  
Attention: MaryAnn McGeady

11. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and assigns.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

13. Entire Agreement; Modifications. This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof, and no modification or amendment of this Agreement shall be effective unless made by written instrument executed by GKT and the District or their respective successors in interest.

14. Severability. If any term, provision, covenant or agreement contained in this Agreement is determined to be illegal or unenforceable to any extent, then such provision shall be deemed severed from this Agreement and this Agreement shall then be enforced to the fullest extent permitted by applicable law.

15. Captions. The captions in this Agreement have been inserted solely for convenience of reference, are not a part of this Agreement, and shall have no effect upon construction or interpretation.

16. No Recordation. This Agreement shall not be recorded in the real property records of the Clerk and Recorder for Adams County, Colorado, or in any other records.

17. Counterparts. The Parties may execute this Agreement in counterparts, which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original instrument as against any party who has signed it. Facsimile or e-mail (pdf) copies of original signatures shall be deemed to be, and shall have the same legal effect as, the original signatures.

**[Signature Page Follows This Page.]**

IN WITNESS WHEREOF, GKT and the District have executed this Agreement as of the  
date first set forth above.

**GKT:**

**GKT BRIGHTON RESIDENTIAL  
DEVELOPMENT, L.L.C.**, a Missouri limited  
liability company

By: \_\_\_\_\_  
Otto Maly, Manager

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Otto Maly as Manager of GKT BRIGHTON RESIDENTIAL DEVELOPMENT, L.L.C., a Missouri limited liability company.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

Notary Public

[ S E A L ]



**THE DISTRICT:**

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

By:

\_\_\_\_\_  
Michael Tamblyn, President

STATE OF COLORADO    )  
                                  ) ss.  
COUNTY OF                )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_, by Michael Tamblyn as President of Prairie Center Metropolitan District No. 7.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

[ S E A L ]

## **EXHIBIT A**

### **LEGAL DESCRIPTION**

Lots 1 through 30, inclusive, Block 1;  
Lots 1 through 14, inclusive, Block 2;  
Lots 1 through 29, inclusive, Block 3;  
Lots 1 through 17, inclusive, Block 4;  
Lots 1 through 15, inclusive, Block 5;  
Lots 1 through 19, inclusive, Block 6;  
Lots 1 through 41, inclusive, Block 7;  
Lots 1 through 17, inclusive, Block 8;  
Lots 1 through 39, inclusive, Block 9;  
Lots 1 through 10, inclusive, Block 10;  
Lots 1 through 42, inclusive, Block 11;  
Lots 1 through 38, inclusive, Block 12;  
Lots 1 through 29, inclusive, Block 13;  
Lots 1 through 13, inclusive, Block 14;  
Lots 1 through 17, inclusive, Block 15;  
Tracts D through S, inclusive;  
PRAIRIE CENTER VILLAGE I SUBDIVISION NO. 1,  
City of Brighton, County of Adams,  
State of Colorado.

**ASSIGNMENT AGREEMENT  
PRAIRIE CENTER VILLAGE I PHASE I SCHEDULE A**

This ASSIGNMENT AGREEMENT (the "Assignment") is made and effective as of December 19, 2017, by and between Prairie Center Metropolitan District No. 3, a quasi-municipal corporation and political subdivision of the State of Colorado ("District No. 3") and Prairie Center Metropolitan District No. 7, a quasi-municipal corporation and political subdivision of the State of Colorado ("District No. 7").

FOR VALUE RECEIVED District No. 3 hereby assigns, transfers and sets over to District No. 7 all rights, title and interest held by District No. 3 in and to that certain Agreement by and between Bemas Construction, Inc. (the "Contractor") and District No. 3 as "Owner," dated December 19, 2017 (the "Contract") relating to Prairie Center Village I Phase I Schedule A (the "Project").

**TERMS**

1. District No. 3 covenants, warrants and represents that the Contract:
  - (a) Is in full force and effect;
  - (b) Is without modification, except as modified by any amendments, exhibits, addenda or change orders agreed upon by the parties to the Agreement prior to December 19, 2017; and
  - (c) Is not in default and, to date, all duties, obligations, agreements, covenants and undertakings are fully and faithfully performed and discharged.
2. District No. 7 hereby assumes and agrees to fully and faithfully perform, observe, discharge and otherwise comply with all of the duties, obligations, agreements, covenants and undertakings of the Owner under the Contract, both now currently in existence and in the future.
3. District No. 7 agrees that it shall be obligated to pay all monies to be paid under the Contract, which obligations are also assigned hereunder and the Contractor waives any claims against District No. 3 to such monies and will look solely to District No. 7 for any and all payments due to Contractor under the Contract.
4. District No. 7 and, by execution of the Consent herein and in satisfaction of the requirement set forth in Part 10, Section B of the Agreement, the Contractor acknowledge and hereby agree that *District No. 3 is hereby released and discharged from any duty or responsibility under the Contract Documents* (as defined in the Contract).
5. This Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns.
6. This Assignment shall be construed in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties have executed this assignment on the day and year first written above.

PRAIRIE CENTER METROPOLITAN  
DISTRICT NO. 3

Attest:



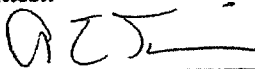
Ann Finn, Secretary



Michael Tarnoblyn, President

PRAIRIE CENTER METROPOLITAN  
DISTRICT NO. 7

Attest:



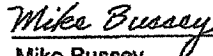
Ann Finn, Secretary



Michael Tarnoblyn, President

CONSENTED TO BY:

Bemas Construction, Inc.

By:   
Name: Mike Bussey  
Title: Manager

**ASSIGNMENT AGREEMENT  
PRAIRIE CENTER VILLAGE I SCHEDULE B**

This ASSIGNMENT AGREEMENT (the “**Assignment**”) is made and effective as of December 19, 2017, by and between Prairie Center Metropolitan District No. 3, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 3**”) and Prairie Center Metropolitan District No. 7, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 7**”).

FOR VALUE RECEIVED District No. 3 hereby assigns, transfers and sets over to District No. 7 all rights, title and interest held by District No. 3 in and to that certain Agreement by and between ESCO Construction, Co. (the “**Contractor**”) and District No. 3 as “**Owner**,” dated December 19, 2017 (the “**Contract**”) relating to Prairie Center Village I Schedule B (the “**Project**”).

**TERMS**

1. District No. 3 covenants, warrants and represents that the Contract:
  - (a) Is in full force and effect;
  - (b) Is without modification, except as modified by any amendments, exhibits, addenda or change orders agreed upon by the parties to the Agreement prior to December 19, 2017; and
  - (c) Is not in default and, to date, all duties, obligations, agreements, covenants and undertakings are fully and faithfully performed and discharged.
2. District No. 7 hereby assumes and agrees to fully and faithfully perform, observe, discharge and otherwise comply with all of the duties, obligations, agreements, covenants and undertakings of the Owner under the Contract, both now currently in existence and in the future.
3. District No. 7 agrees that it shall be obligated to pay all monies to be paid under the Contract, which obligations are also assigned hereunder and the Contractor waives any claims against District No. 3 to such monies and will look solely to District No. 7 for any and all payments due to Contractor under the Contract.
4. District No. 7 and, by execution of the Consent herein and in satisfaction of the requirement set forth in Part 10, Section B of the Agreement, the Contractor acknowledge and hereby agree that ***District No. 3 is hereby released and discharged from any duty or responsibility under the Contract Documents*** (as defined in the Contract).
5. This Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns.
6. This Assignment shall be construed in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties have executed this assignment on the day and year first written above.

PRAIRIE CENTER METROPOLITAN  
DISTRICT NO. 3

Attest:

\_\_\_\_\_  
Ann Finn, Secretary

\_\_\_\_\_  
Michael Tamblyn, President

PRAIRIE CENTER METROPOLITAN  
DISTRICT NO. 7

Attest:

\_\_\_\_\_  
Ann Finn, Secretary

\_\_\_\_\_  
Michael Tamblyn, President

CONSENTED TO BY:

ESCO Construction, Co.

By:



Name: ERIC V. CLARK

Title: VICE PRESIDENT

**ASSIGNMENT AGREEMENT  
PRAIRIE CENTER VILLAGE I PHASE I SCHEDULE C**

This ASSIGNMENT AGREEMENT (the “Assignment”) is made and effective as of December 19, 2017, by and between Prairie Center Metropolitan District No. 3, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 3**”) and Prairie Center Metropolitan District No. 7, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 7**”).

FOR VALUE RECEIVED District No. 3 hereby assigns, transfers and sets over to District No. 7 all rights, title and interest held by District No. 3 in and to that certain Agreement by and between Rocky Mountain Excavating Inc. (the “**Contractor**”) and District No. 3 as “Owner,” dated December 19, 2017 (the “**Contract**”) relating to Prairie Center Village I Phase I Schedule C (the “**Project**”).

**TERMS**

1. District No. 3 covenants, warrants and represents that the Contract:
  - (a) Is in full force and effect;
  - (b) Is without modification, except as modified by any amendments, exhibits, addenda or change orders agreed upon by the parties to the Agreement prior to December 19, 2017; and
  - (c) Is not in default and, to date, all duties, obligations, agreements, covenants and undertakings are fully and faithfully performed and discharged.
2. District No. 7 hereby assumes and agrees to fully and faithfully perform, observe, discharge and otherwise comply with all of the duties, obligations, agreements, covenants and undertakings of the Owner under the Contract, both now currently in existence and in the future.
3. District No. 7 agrees that it shall be obligated to pay all monies to be paid under the Contract, which obligations are also assigned hereunder and the Contractor waives any claims against District No. 3 to such monies and will look solely to District No. 7 for any and all payments due to Contractor under the Contract.
4. District No. 7 and, by execution of the Consent herein and in satisfaction of the requirement set forth in Part 10, Section B of the Agreement, the Contractor acknowledge and hereby agree that *District No. 3 is hereby released and discharged from any duty or responsibility under the Contract Documents* (as defined in the Contract).
5. This Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns.
6. This Assignment shall be construed in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties have executed this assignment on the day and year first written above.

PRAIRIE CENTER METROPOLITAN  
DISTRICT NO. 3

Attest:

\_\_\_\_\_  
Ann Finn, Secretary

\_\_\_\_\_  
Michael Tamblyn, President

PRAIRIE CENTER METROPOLITAN  
DISTRICT NO. 7

Attest:

\_\_\_\_\_  
Ann Finn, Secretary

\_\_\_\_\_  
Michael Tamblyn, President

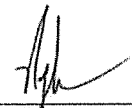
CONSENTED TO BY:

Rocky Mountain Excavating Inc.

By:

Name:

Title:

  
\_\_\_\_\_  
Ryan Johnson  
\_\_\_\_\_  
Vice President



**ASSIGNMENT AGREEMENT  
PRAIRIE CENTER VILLAGE I PHASE I SCHEDULE D**

This ASSIGNMENT AGREEMENT (the “**Assignment**”) is made and effective as of December 19, 2017, by and between Prairie Center Metropolitan District No. 3, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 3**”) and Prairie Center Metropolitan District No. 7, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 7**”).

FOR VALUE RECEIVED District No. 3 hereby assigns, transfers and sets over to District No. 7 all rights, title and interest held by District No. 3 in and to that certain Agreement by and between Scott Contracting Inc. (the “**Contractor**”) and District No. 3 as “Owner,” dated December 19, 2017 (the “**Contract**”) relating to Prairie Center Village I Phase I Schedule D (the “**Project**”).

**TERMS**

1. District No. 3 covenants, warrants and represents that the Contract:
  - (a) Is in full force and effect;
  - (b) Is without modification, except as modified by any amendments, exhibits, addenda or change orders agreed upon by the parties to the Agreement prior to December 19, 2017; and
  - (c) Is not in default and, to date, all duties, obligations, agreements, covenants and undertakings are fully and faithfully performed and discharged.
2. District No. 7 hereby assumes and agrees to fully and faithfully perform, observe, discharge and otherwise comply with all of the duties, obligations, agreements, covenants and undertakings of the Owner under the Contract, both now currently in existence and in the future.
3. District No. 7 agrees that it shall be obligated to pay all monies to be paid under the Contract, which obligations are also assigned hereunder and the Contractor waives any claims against District No. 3 to such monies and will look solely to District No. 7 for any and all payments due to Contractor under the Contract.
4. District No. 7 and, by execution of the Consent herein and in satisfaction of the requirement set forth in Part 10, Section B of the Agreement, the Contractor acknowledge and hereby agree that ***District No. 3 is hereby released and discharged from any duty or responsibility under the Contract Documents*** (as defined in the Contract).
5. This Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns.
6. This Assignment shall be construed in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties have executed this assignment on the day and year first written above.

PRAIRIE CENTER METROPOLITAN  
DISTRICT NO. 3

Attest:

\_\_\_\_\_  
Ann Finn, Secretary

\_\_\_\_\_  
Michael Tamblyn, President

PRAIRIE CENTER METROPOLITAN  
DISTRICT NO. 7

Attest:

\_\_\_\_\_  
Ann Finn, Secretary

\_\_\_\_\_  
Michael Tamblyn, President

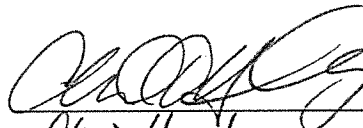
CONSENTED TO BY:

Scott Contracting Inc.

By:

Name:

Title:

  
\_\_\_\_\_  
Chris Hurley  
\_\_\_\_\_  
Staff Counsel

**ASSIGNMENT AGREEMENT  
PRAIRIE CENTER VILLAGE I PHASE I SCHEDULE E**

This ASSIGNMENT AGREEMENT (the “**Assignment**”) is made and effective as of December 19, 2017, by and between Prairie Center Metropolitan District No. 3, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 3**”) and Prairie Center Metropolitan District No. 7, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 7**”).

FOR VALUE RECEIVED District No. 3 hereby assigns, transfers and sets over to District No. 7 all rights, title and interest held by District No. 3 in and to that certain Agreement by and between Colorado Designsapes, Inc. (the “**Contractor**”) and District No. 3 as “**Owner**,” dated December 19, 2017 (the “**Contract**”) relating to Prairie Center Village I Phase I Schedule E (the “**Project**”).

**TERMS**

1. District No. 3 covenants, warrants and represents that the Contract:
  - (a) Is in full force and effect;
  - (b) Is without modification, except as modified by any amendments, exhibits, addenda or change orders agreed upon by the parties to the Agreement prior to December 19, 2017; and
  - (c) Is not in default and, to date, all duties, obligations, agreements, covenants and undertakings are fully and faithfully performed and discharged.
2. District No. 7 hereby assumes and agrees to fully and faithfully perform, observe, discharge and otherwise comply with all of the duties, obligations, agreements, covenants and undertakings of the Owner under the Contract, both now currently in existence and in the future.
3. District No. 7 agrees that it shall be obligated to pay all monies to be paid under the Contract, which obligations are also assigned hereunder and the Contractor waives any claims against District No. 3 to such monies and will look solely to District No. 7 for any and all payments due to Contractor under the Contract.
4. District No. 7 and, by execution of the Consent herein and in satisfaction of the requirement set forth in Part 10, Section B of the Agreement, the Contractor acknowledge and hereby agree that *District No. 3 is hereby released and discharged from any duty or responsibility under the Contract Documents* (as defined in the Contract).
5. This Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns.
6. This Assignment shall be construed in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties have executed this assignment on the day and year first written above.

PRAIRIE CENTER METROPOLITAN  
DISTRICT NO. 3

Attest:

\_\_\_\_\_  
Ann Finn, Secretary

\_\_\_\_\_  
Michael Tamblyn, President

PRAIRIE CENTER METROPOLITAN  
DISTRICT NO. 7

Attest:

\_\_\_\_\_  
Ann Finn, Secretary

\_\_\_\_\_  
Michael Tamblyn, President

CONSENTED TO BY:

Colorado Designscares Inc.



By:

Name:

Title:

Philip E. Steinhauer  
President