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Div of Local Government

**SERVICE PLAN
FOR
TRAILS METROPOLITAN DISTRICT
DOUGLAS COUNTY, COLORADO**

Prepared

by

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1700 Lincoln Street, Suite 2000
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FORMAL SUBMITTAL: July 12, 2019

APPROVAL DATE: September 10, 2019

APPROVAL SUMMARY

This Service Plan for the Trails Metropolitan District was approved by the Douglas County Board of County Commissioners on (date). Resolution No. _____, approving this Service Plan, has been recorded at Reception No. _____ on (date). The organizational and TABOR elections took place on (date). The court decree organizing the District was recorded with the Douglas County Clerk and Recorder on (date) at Reception No. _____.

ORGANIZERS AND CONSULTANTS

This Service Plan has been prepared by the Organizers and the following participating consultants:

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EXECUTIVE SUMMARY

This service plan is for the Trails Metropolitan District (the “District”), which will serve the public improvement needs of the Trails Subdivision. The District is generally located to the south and west of Sampson Gulch Road and Piney Lake Road and contains approximately 291 acres. The District will include 139 residential units.

The District will have a single district structure. This structure will allow the District to control both financing and services. The District shall be authorized to provide services including but not limited to mosquito control, parks and recreation, security protection, sanitation, solid waste disposal facilities or collection and transportation of solid waste, street improvement, television relay and translation, transportation, and water and other services as described in C.R.S. §§ 32-1-1001 and 1004, as amended, and subject to the limitations in this service plan.

The total authorized debt limit for the District shall be FOURTEEN MILLION DOLLARS (\$14,000,000). The District anticipates the issuance of an initial series of bonds in the amount of SEVEN MILLION NINE HUNDRED FORTY THOUSAND DOLLARS AND NO CENTS (\$7,940,000.00) on December 1, 2020. The initial debt service mill levy will be 50 mills, with a Maximum Debt Service Mill Levy of 50 mills. The initial operations and maintenance mill levy will be 10 mills, with a Maximum Operations and Maintenance Mill Levy of 20 mills. The combined initial mill levy for the District will be 60 mills, with a maximum combined mill levy of 70 mills.

TABLE OF CONTENTS

I. INTRODUCTION 1

II. PURPOSE OF THE DISTRICT 2

III. DISTRICT FRAMEWORK 2

IV. NEED FOR DISTRICT 2

V. LOCATION AND BOUNDARIES..... 2

VI. ASSESSED VALUATION/PROJECTIONS/LAND USE/POPULATION 2

VII. POWERS AND RESPONSIBILITIES 3

VIII. DISTRICT SERVICES, FACILITIES, AND IMPROVEMENTS 4

IX. EXISTING AND PROPOSED AGREEMENTS 8

X. FINANCIAL INFORMATION 8

XI. DEVELOPER ADVANCES AND REIMBURSEMENTS 10

XII. ANNUAL REPORT 11

XIII. MODIFICATION OF SERVICE PLAN 11

XIV. DISCLOSURE STATEMENT 11

XV. DISSOLUTION 12

XVI. DEFINITIONS..... 12

XVII. RESOLUTION OF APPROVAL 13

XVIII. STATUTORY FINDINGS AND CONCLUSIONS 13

EXHIBITS

Exhibit A	Vicinity Map
Exhibit B	Legal Description
Exhibit C	District Boundary Map
Exhibit D	Cost of Improvements
Exhibit E	Map of Improvements
Exhibit F	Financial Plan
Exhibit G	Resolution of Approval
Exhibit H	Compliance with Section 18A, Water Supply – Overlay District
Exhibit I	Compliance with Colorado Clean Water Plan
Exhibit J	Advance and Reimbursement Agreement
Exhibit K	Intergovernmental Agreements
Exhibit L	Annual Report Requirements
Exhibit M	District Court Decree

I. INTRODUCTION

This service plan (the “Service Plan”) for the Trails Metropolitan District (the “District”) is for a special district organized under Title 32 of the Colorado Revised Statutes to serve the public improvement needs of the Trails Subdivision (the “Project”). The District is generally located to the south and west of Samson Gulch Road and Piney Lake Road (see **Exhibit A**, Vicinity Map) and contains approximately 291 acres (see **Exhibits B & C**, Legal Description and District Boundary Map).

Pursuant to the requirements of the Special District Control Act, C.R.S. §32-1-201, *et seq.*, as amended, and the Special District Service Plan Review Procedures for Douglas County (the “County”), the following items are included in this Service Plan:

1. A description of the powers granted to and services to be provided by the District;
2. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the District are compatible with facility and service standards of the County and of any municipalities and special districts which are interested parties;
3. A general written description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial indebtedness and estimated maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District;
4. A summary of general conditions regarding oversight of the District by the County;
5. A legal description and map of the District’s boundaries and an estimate of the population and valuation for assessment of the District;
6. A summary of estimated costs for improvements to be financed and constructed by the District;
7. A preliminary engineering and architectural survey showing how the improvements and services are to be provided;
8. A financial plan showing how District improvements and services are to be financed, including the operating revenue for the first budget year of the District;
9. The resolution of approval adopted by the Board of County Commissioners;
10. Information demonstrating compliance with Section 18A, Water Supply – Overlay District, of the Douglas County Zoning Resolution, as amended, and compliance with the Colorado Clean Water Plan;
11. A description of any advance and reimbursement agreements;
12. A description of any arrangement or agreement with any political subdivision for the performance of any services between the District and such other political subdivision; and
13. The recorded court decree organizing the District.

Exhibits A through M, attached hereto, are hereby incorporated into the Service Plan.

II. PURPOSE OF THE DISTRICT

The purpose of the District is to provide public improvements and services for the benefit of all anticipated inhabitants and taxpayers of the District, either within or without its boundaries. The District also serves to finance and oversee the construction of these public improvements and to provide for ongoing operations and maintenance services.

III. DISTRICT FRAMEWORK

The District will be organized under a single district structure and will be responsible for all aspects of financing and services authorized under this Service Plan.

IV. NEED FOR DISTRICT

There are currently no other governmental entities, including the County, located in the immediate vicinity of the District that consider it desirable, feasible, or practicable to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, and ongoing operations of the public improvements needed for the Project. Formation of the District is therefore necessary in order for the public improvements and services required for the Project to be provided in the most economical manner possible.

V. LOCATION AND BOUNDARIES

The District is located to the south and west of Sampson Gulch Road and Piney Lake Road in unincorporated Douglas County. A vicinity map is attached hereto as **Exhibit A**. The area of the initial District's boundary encompasses approximately 291 acres. A legal description of the District's boundaries is attached hereto as **Exhibit B**. A map of the initial District's boundaries is attached hereto as **Exhibit C**.

It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to C.R.S. §§ 32-1-401, et seq., and C.R.S. §§ 32-1-501, et seq., as amended. Prior to any inclusions or exclusions, the District shall provide forty-five (45) days published notice and written notice to the Board of County Commissioners pursuant to C.R.S. § 32-1-207(3)(b). If, within such forty-five (45) day period, the Board of County Commissioners objects to the inclusion or exclusion, then the inclusion or exclusion shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

VI. ASSESSED VALUATION/PROJECTIONS/LAND USE/POPULATION

The property within the District is currently zoned Planned Development (PD). The current assessed value of property within the initial boundaries of the District is zero (\$0.00) as of the date of this Service Plan. The estimated assessed value at full build-out

is SIXTEEN MILLION TWO HUNDRED FORTY ONE THOUSAND FOUR HUNDRED THIRTY NINE DOLLARS (\$16,241,439.00) and is expected to be sufficient to reasonably discharge the debt under the Financial Plan. Initially, the District will include 139 residential units. Based upon an estimated three (3) persons per residence, the population of the District at build-out will be four hundred and seventeen (417) residents.

Approval of this Service Plan by the County does not constitute nor imply approval of the development of a specific area within the District, nor does it constitute or imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached hereto, unless such land use plans have been approved by the Board of County Commissioners as part of a separate development review process.

VII. POWERS AND RESPONSIBILITIES

The District shall have the power and authority to provide the public improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is permitted by this Service Plan and described in the Special District Act, C.R.S. Title 32, and other applicable statutes, common law, and the Colorado Constitution, subject to the limitations set forth herein.

A. General Powers

The District shall have the authority to construct, operate, and maintain the services and facilities as described in Section VIII.A of this Service Plan.

B. Miscellaneous Powers

In addition to the powers enumerated above, the District's Board shall have the power and authority:

1. To amend this Service Plan as provided for in Section XIII, Modification of Service Plan;

2. To forego, reschedule, or restructure the financing and construction of certain improvements and facilities in order to better accommodate the pace of growth, resource availability, and potential inclusions and exclusions of property within the District, with prior notice to the County in accordance with C.R.S. § 32-1-202(2)(b), as amended; and

3. To have and exercise all rights and powers necessary or incidental to, or implied from, the specific powers granted to the District in this Service Plan.

4. To have and exercise the power of eminent domain, but only as necessary to construct, install, access, relocate or redevelop the public improvements identified in this Service Plan in the locations shown in **Exhibit E**. Any other use of eminent domain shall

require the District to provide forty-five (45) days published notice and written notice to the Board of County Commissioners pursuant to C.R.S. § 32-1-207(3)(b). If, within such forty-five (45) day period, the Board of County Commissioners objects to the use of eminent domain, then it shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

VIII. DISTRICT SERVICES, FACILITIES, AND IMPROVEMENTS

A. Services and Facilities

The District shall have the authority pursuant to C.R.S. §§ 32-1-1001 and 32-1-1004, as amended, to provide the following services and public improvements described in this section.

1. Water

The District, while not providing water service, shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for potable water and irrigation water facilities and systems, including, but not limited to, treatment, storage, transmission, and distribution systems for domestic, irrigation, fire control, and other public purposes, together with all necessary and proper reservoirs, treatment facilities, wells, equipment, and appurtenances incident thereto, which may include, but shall not be limited to, transmission lines, pipes, distribution mains and laterals, storage facilities, and ditches, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

It is anticipated that the District's water supply will be provided by the City of Aurora pursuant to the Water and Sewer Service Agreement attached hereto as **Exhibit H**. The District will construct, or have constructed, the necessary water improvements to connect to the City of Aurora's water system. Upon completion of construction, the water improvements will be dedicated to and operated and maintained by the City of Aurora. The District anticipates that, following dedication to, and acceptance by, the City of Aurora of the water improvements, the water improvements will thereafter be owned, operated, and maintained exclusively by the City of Aurora.

2. Storm Sewer

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for flood and surface drainage improvements, including, but not limited to, culverts, dams, retaining walls, access way inlets, detention and retention ponds, paving, roadside swales, curbs and gutters, disposal works and facilities, water quality facilities, channels, hydraulic structures, rip rap, micro pools, forebays, and all necessary and proper equipment, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

Stormwater improvements subject to Colorado Discharge Permit System Regulations, if applicable, shall be owned and maintained by the District or such other governmental entity that may accept dedication. Dedication to another governmental entity of stormwater improvements subject to such regulations shall be subject to approval by the County. In no event will the District dedicate such detention ponds or facilities to a private homeowner's association, or other property owner's association, for operations or maintenance.

3. Sanitation and Wastewater Treatment

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, assess tap or other facility fees, and provide for sanitary sewers and to transport wastewater to an appropriate wastewater treatment facility, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

It is anticipated that the District's sanitary sewer service will be provided by the City of Aurora pursuant to the Water and Sewer Service Agreement attached hereto as **Exhibit H**. The District will construct, or have constructed, the necessary sanitary sewer improvements to connect to the City of Aurora's sanitary sewer system. Upon completion of construction, the sanitary sewer improvements will be dedicated to and operated and maintained by the City of Aurora. The District anticipates that, following dedication to, and acceptance by, the City of Aurora of the sanitary sewer improvements, the sanitary sewer improvements will thereafter be owned, operated, and maintained exclusively by the City of Aurora.

4. Street Improvements

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for local, arterial and collector streets and roadway improvements including, but not limited to, bridges, curbs, gutters, culverts, storm sewers and drainage facilities, detention and retention ponds, retaining walls and appurtenances, sidewalks, paving, lighting, grading, landscaping, streetscaping, placement of underground utilities, snow removal, tunnels, and other street improvements, and architectural enhancements to any or all of the above, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

5. Traffic Safety Protection

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for safety protection through traffic control devices and safety controls on streets, as well as such other facilities and improvements as are necessary or prudent, including, but not limited to, signalization at intersections, traffic signs, area identification signs, directional assistance and driver information signs, with all necessary and incidental and appurtenant facilities, and land

and easements, together with extensions and improvements thereto. All traffic and safety control devices will be consistent with and in compliance with County rules and regulations.

6. Parks and Recreation

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for public park and public recreation centers and other recreation facilities, services, or programs including, but not limited to, grading, soil preparation, sprinkler systems, fencing, pavilions, playgrounds, playing fields, open space, bike trails, pedestrian trails, pedestrian bridges, picnic areas, common area landscaping, streetscaping, storage buildings and facilities, weed control, paving, decorative paving, outdoor functional and decorative lighting, community events, and other services, programs and facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

7. Television Relay and Translation

The District shall have the power and authority to finance, design, construct, install, acquire, operate, and maintain television relay and translator facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

8. Mosquito Control

The District shall have the power and authority to finance, design, construct, acquire, install, operate, maintain, and provide for systems and methods for elimination and control of mosquitoes.

9. Covenant Enforcement and Design Review

The District shall have the power and authority to provide covenant enforcement and design review services subject to the limitations set forth in C.R.S. § 32-1-1004(8), as amended.

10. Security

The District shall have the power and authority to provide security services within the boundaries of the District, subject to the limitations set forth in C.R.S. § 32-1-1004(7), as amended. In no way is this power and authority intended to limit or supplant the responsibility and authority of local law enforcement (i.e., the Douglas County Sheriff's Department) within the boundaries of the District.

B. Estimated Costs and Phasing of Improvements

An estimate of the costs of the public improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained, or financed was prepared based upon a preliminary engineering survey on the property and is approximately TEN MILLION SIX HUNDRED THIRTY FIVE THOUSAND THIRTY TWO DOLLARS AND NO CENTS (\$10,635,032.00) as shown in **Exhibit D**. **Exhibit D** includes an engineer's opinion of costs in current dollars of each public improvement, together with an explanation of methods, basis, and/or assumptions used. All descriptions of the public improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the County's requirements, and construction scheduling may require. The District will continue to develop and refine cost estimates contained herein and prepare for issuance of debt. Any increase in public improvement costs greater than twenty percent (20%), but less than forty percent (40%), of the stated amount in **Exhibit D**, exclusive of any contingency shown in **Exhibit D**, shall require an administrative review by County staff. Any increase in public improvement costs in excess of forty percent (40%) of the stated amount in **Exhibit D**, exclusive of any contingency shown in **Exhibit D**, will constitute a material modification of the Service Plan and will require review by the County and action by the Board of County Commissioners in accordance with Section XIII. All construction cost estimates assume construction to applicable local, State, or Federal requirements.

Maps showing the preliminary location of the public improvements that the District is authorized to acquire or construct are attached hereto as **Exhibit E**. Phasing of construction shall be determined by the District to meet the needs of taxpayers within its boundaries. The District shall own, maintain, and replace public improvements constructed, installed, or acquired by the District or shall dedicate such public improvements to such other entity as shall accept dedication, subject to any limitations specified in this Service Plan.

In all instances, the District shall ensure that the public improvements are designed and constructed in accordance with the standards and specifications of the County or other such entity that may have authority over such design and construction. The District shall obtain approval of civil engineering and other plans and any applicable permits for the construction and installation of public improvements from the County and/or other appropriate regulatory agencies.

C. Services to be Provided by Other Governmental Entities

The Project is located within, and fire protection services will be provided by, the South Metro Fire Rescue Authority.

The City of Aurora will provide water and sanitary sewer services to the Project.

D. Compliance with Section 18A, Water Supply – Overlay District, of the Douglas County Zoning Resolution, as amended

No water service will be provided by the District. Therefore, compliance with Section 18A, Water Supply – Overlay District, of the Douglas County Zoning Resolution is not required at this time.

E. Compliance with Colorado Clean Water Plan

No water service will be provided by the District. Therefore, compliance with the Colorado Clean Water Plan is not required at this time.

IX. EXISTING AND PROPOSED AGREEMENTS

It is anticipated that the District, Developer, and the City of Aurora will enter into agreements regarding water and sanitation services and facilities.

X. FINANCIAL INFORMATION

A. General

This section describes the nature, basis, and method of funding and debt and mill levy limitations associated with the District’s public improvements. A detailed Financial Plan and statement of assumptions is contained in **Exhibit F**.

B. Assumptions

The maximum debt limitation contained herein is based on the assumption that each of the 139 residential properties in the District will have an average value of approximately SEVEN HUNDRED THOUSAND DOLLARS AND NO CENTS (\$700,000.00). The Financial Plan demonstrates that the District has the ability to finance the public improvements identified herein, will be capable of discharging the indebtedness on a reasonable basis, and will operate on a sound fiscal basis.

C. Identification of District Revenue

The District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District’s discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided for in C.R.S. § 32-1-1001(1), as amended.

A Maximum Total Mill Levy of 70 mills is authorized to support debt service and operations and maintenance of the District. The District may request an amendment to the Service Plan, in accordance with Section XIII, to eliminate mill levy caps when the debt to assessed value ratio falls below fifty percent (50%).

In the event of legislation implementing changes in the ratio of actual valuation to assessed valuation for residential real property, pursuant to Article X, section 3(1)(b) of the Colorado Constitution, the mill levy limitations provided herein will be increased or decreased as to all taxable property in the District to reflect such changes so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes (“Gallagher Adjustment”). If there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement, the mill levy limitation applicable to such operating and maintenance expenses may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenue generated by the mill levy are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

D. Debt Service Mill Levy

A maximum mill levy of up to 50 mills is authorized to support the debt service of the District, subject to the limitation of the Maximum Total Mill Levy. An initial debt service mill levy of 50 mills will produce revenue sufficient to support debt service costs through the bond repayment period (see **Exhibit F**, Financial Plan).

E. Operations and Maintenance Mill Levy

A maximum mill levy of up to 20 mills is authorized to support the operations and maintenance of District services and public improvements, subject to the limitation of the Maximum Total Mill Levy. An initial operations and maintenance mill levy of 10 mills will produce revenue sufficient to support the operations and maintenance of District services and public improvements (see **Exhibit F**, Financial Plan).

F. District Expenditures

The estimated cost of public improvements for the District is TEN MILLION SIX HUNDRED THIRTY FIVE THOUSAND THIRTY TWO DOLLARS AND NO CENTS (\$10,635,032.00). **Exhibit D** includes, in current dollars, the estimated cost of each public improvement, together with an explanation of the methods, basis, and/or assumptions used to establish such costs.

The District will require operating funds to plan and cause the public improvements contemplated herein to be constructed, operated, and maintained as permitted herein. Such costs are expected to include reimbursement of organizational costs, legal, engineering, accounting, bond issuance costs, and compliance with State budgeting, audit, and reporting, and other administrative and legal requirements. The organizational costs for the District for legal, engineering, surveying, and accounting services are estimated to be SEVENTY FIVE THOUSAND DOLLARS (\$75,000). The

first year's operating budget is estimated to be FIFTY THOUSAND DOLLARS (\$50,000).

G. Debt

1. Debt Limitation

The total debt limit for the District is FOURTEEN MILLION DOLLARS (\$14,000,000), inclusive of costs of issuance, inflation, and other similar costs. For purposes of this Service Plan, debt shall be considered any outstanding bonds, notes, contracts, or other financial obligations of the District payable in whole or in part from *ad valorem* taxes or other revenues of the District for the purposes of financing, acquiring, constructing, or improving any of the public improvements contemplated herein. The debt limit shall not be increased unless approved by the County and as permitted by statute and the Colorado Constitution. Any change in debt limit shall be considered a material modification of the Service Plan, subject to the provisions of Section XIII of this Service Plan. The maximum term of any bond issue, including refunding and refinancing, shall be thirty (30) years from the original date of issuance.

2. Maximum Voted Interest Rate and Maximum Underwriting Discount

The interest rate on any debt is limited to the market rate at the time debt is issued. In the event of a default, the maximum voted interest rate on any debt shall not exceed twelve percent (12%). The maximum underwriting discount shall be five percent (5%). Debt, when issued, shall comply with all relevant requirements of this Service Plan, State law, and Federal law as is then applicable to the issuance of public securities.

XI. DEVELOPER ADVANCES AND REIMBURSEMENTS

The District anticipates receiving initial funding for both capital and ongoing administrative requirements from developer advances. Such advances may be made to the District subject to the District's obligation to reimburse the same, as may be evidenced by short-term reimbursement agreements or other acceptable agreements or resolutions. The interest rate on developer reimbursements shall not exceed the current Bond Buyer 20-Bond GO Index plus four percent (4%).

Such advances, which the Board is obligated to appropriate on an annual basis, shall count against the maximum allowable debt limit under this Service Plan and may be repaid by the District from bond proceeds or other legally available sources of revenue. Developer advances shall be subordinate to the District general obligation bonds and refinancing of the same shall not require County approval. Any amount of outstanding principal and accrued interest on such developer advances that remains unpaid as of the expiration of the Maximum Debt Service Mill Levy term shall be deemed to be forever discharged and satisfied in full. The total developer advances are anticipated to be TWELVE MILLION DOLLARS (\$12,000,000). Developer contributions, which will not be repaid by the District, are anticipated to be FOUR MILLION DOLLARS

(\$4,000,000). It is anticipated that the bond proceeds projected in the Financial Plan will be utilized to pay project costs, which may include the reimbursement of developer advances but may also include the District's direct funding of the improvements.

XII. ANNUAL REPORT

The District shall be responsible for submitting an annual report to the County no later than August 1 of each year in accordance with the procedures set forth in C.R.S. § 32-1-207(3)(c) and (d), as amended. The annual report shall conform to the format attached hereto as **Exhibit L**, or in a format agreed to by the County.

XIII. MODIFICATION OF SERVICE PLAN

Pursuant to C.R.S. § 32-1-207, as amended, the District shall obtain prior written approval of the County before making any material modification to this Service Plan. Material modifications require a Service Plan amendment and include modifications of a basic or essential nature, including, but not limited to, the following: any addition to the types of services provided by the District; a decrease in the level of services; a decrease in the financial ability of the District to discharge the existing or proposed indebtedness; or a decrease in the existing or projected need for organized service in the area. Inclusion of property that is located in a county or municipality with no other territory within the District may constitute a material modification of the Service Plan.

In the event the District plans to undertake an action which may not be permitted by this Service Plan, it shall be the District's responsibility to contact County staff to seek an administrative determination as to whether the action in question is permitted by the Service Plan. If County staff determines that the action may constitute a material modification, the District shall submit a proposal for action to the Board of County Commissioners. Thereafter, the Board of County Commissioners will determine whether the proposed action constitutes a material modification. If the Board of County Commissioners determines that the proposed action constitutes a material modification, then the action shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

XIV. DISCLOSURE STATEMENT

The District shall provide notice to all purchasers of property in the District regarding the District's authority to levy and collect *ad valorem* taxes and to impose and collect rates, fees, tolls, and charges, by recording a disclosure statement against the property within the District with the Office of the Douglas County Clerk and Recorder. Such disclosure statement shall also provide information concerning the structure of the Board and summarize how purchasers may participate in the affairs of the Board. The disclosure statement shall be recorded within thirty (30) days following the recordation of the court decree organizing the District.

XV. DISSOLUTION

It shall be mandatory for the District to initiate dissolution proceedings when the District has neither any financial obligations nor operations and maintenance obligations. The District may file a petition in the district court for dissolution when there are no financial obligations or outstanding bonds, or any such financial obligations or outstanding bonds are adequately secured by escrow funds or securities meeting the investment requirements in C.R.S. §§ 24-75-601, *et seq.*, as amended. The District's dissolution shall be subject to approval of a plan of dissolution in the district court of the County, pursuant to C.R.S. § 32-1-704, as amended.

XVI. DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Board: the board of directors of the District

Board of County Commissioners: the Board of County Commissioners of Douglas County, Colorado

Control Act: Part 2 of Title 32 (Special Districts) of the Colorado Revised Statutes (C.R.S.), which outlines review procedures for service plans for a special district

County: Douglas County, Colorado

Debt: any bond, note debenture, contract, or other multiple-year financial obligation of a District

Developer: the owner of the property proposing development of the project

District: the Trails Metropolitan District

District Boundaries: the boundaries of the area described in the legal description attached hereto as **Exhibit B**

District Boundary Map: the map attached hereto as **Exhibit C**, showing the District's boundaries

Financial Plan: the Financial Plan described in Section X and attached as **Exhibit F**, which describes: (a) how the public improvements are to be financed; (b) how the debt is expected to be incurred; and (c) the estimated operating revenue derived from property taxes for the first budget year.

General Obligation Bond: bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy

Service Plan for Trails Metropolitan District

Maximum Debt Service Mill Levy: the maximum mill levy the District is permitted to impose for payment of debt as set forth in Section X.D

Maximum Operations and Maintenance Mill Levy: the maximum mill levy the District is permitted to impose for the payment of operating and maintenance expenses as set forth in Section X.E

Maximum Total Mill Levy: the maximum mill levy the District is permitted to impose for the payment of debt as set forth in Section X.D. and operating and maintenance expenses as set forth in Section X.E

Project: the development or property commonly referred to as Trails

Public Improvements: the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped, and financed as generally described in the Special District Act to serve the future taxpayers and inhabitants of the District as determined by the Board of the District

Revenue Bond: bonds issued by the District to finance a specific project, the income from which will be used for repaying the bond

Service Plan: the service plan for the District approved by the Board of County Commissioners

Special District Act: C.R.S. § 32-1-101, *et seq.*, as amended

State: the State of Colorado

XVII. RESOLUTION OF APPROVAL

The District incorporates the Board of County Commissioner’s resolution approving this Service Plan into this Service Plan to be presented to the district court attached hereto as **Exhibit G**.

XVIII. STATUTORY FINDINGS AND CONCLUSIONS

It is submitted that this Service Plan for the District, as required by C.R.S. § 32-1-203, as amended, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be served by the District;

The purpose of the District is to finance and construct certain public improvements and to provide other additional services necessary to support the Trails Subdivision. The proposed improvements and services are not, and

Service Plan for Trails Metropolitan District

in good faith based upon information and belief, will not be available to the community through the County or other existing municipality or quasi-municipal corporation, including special districts, within a reasonable time and on a comparable basis.

2. The existing service in the area to be served by the District is inadequate for present and projected needs;

The proposed improvements and services are not, and in good faith based upon information and belief, will not be available to the community through the County or other existing municipality or quasi-municipal corporation, including special districts, within a reasonable time and on a comparable basis.

3. The District is capable of providing economical and sufficient service to the area within its boundaries;

The formation of the District will ensure that the public improvements and other services are sufficient and constructed within a reasonable period of time for the benefit of the property owners located in the community.

4. The area to be included in the District has, or will have, the financial ability to discharge the indebtedness on a reasonable basis;

The estimated costs of the improvements and facilities to be constructed, installed, and/or acquired by the District are set forth in this Service Plan. The Financial Plan describes the anticipated issuance of debt and repayment based on the projected development within the District boundaries. The Financial Plan demonstrates that the District will have the ability to finance the facilities identified in this Service Plan and will be capable of discharging the proposed indebtedness on a reasonable basis.

5. Adequate service is not, or will not be, available to the area through the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

The proposed improvements and services are not, and in good faith based upon information and belief, will not be available to the area through the County or other existing municipality or quasi-municipal corporation, including special districts, within a reasonable time and on a comparable basis.

6. The facility and service standards of the District are compatible with the facility and service standards of each county within which the District is to be located and each municipality which is an interested party under C.R.S. § 32-1-204(1), as amended;

As stated elsewhere in this Service Plan, all proposed facilities and services will be constructed in accordance with the standards and specifications of Douglas County, the State of Colorado, and any other appropriate jurisdictions.

7. The proposal is in substantial compliance with the Douglas County Comprehensive Master Plan, as amended, adopted pursuant to C.R.S. § 30-28-106, as amended;

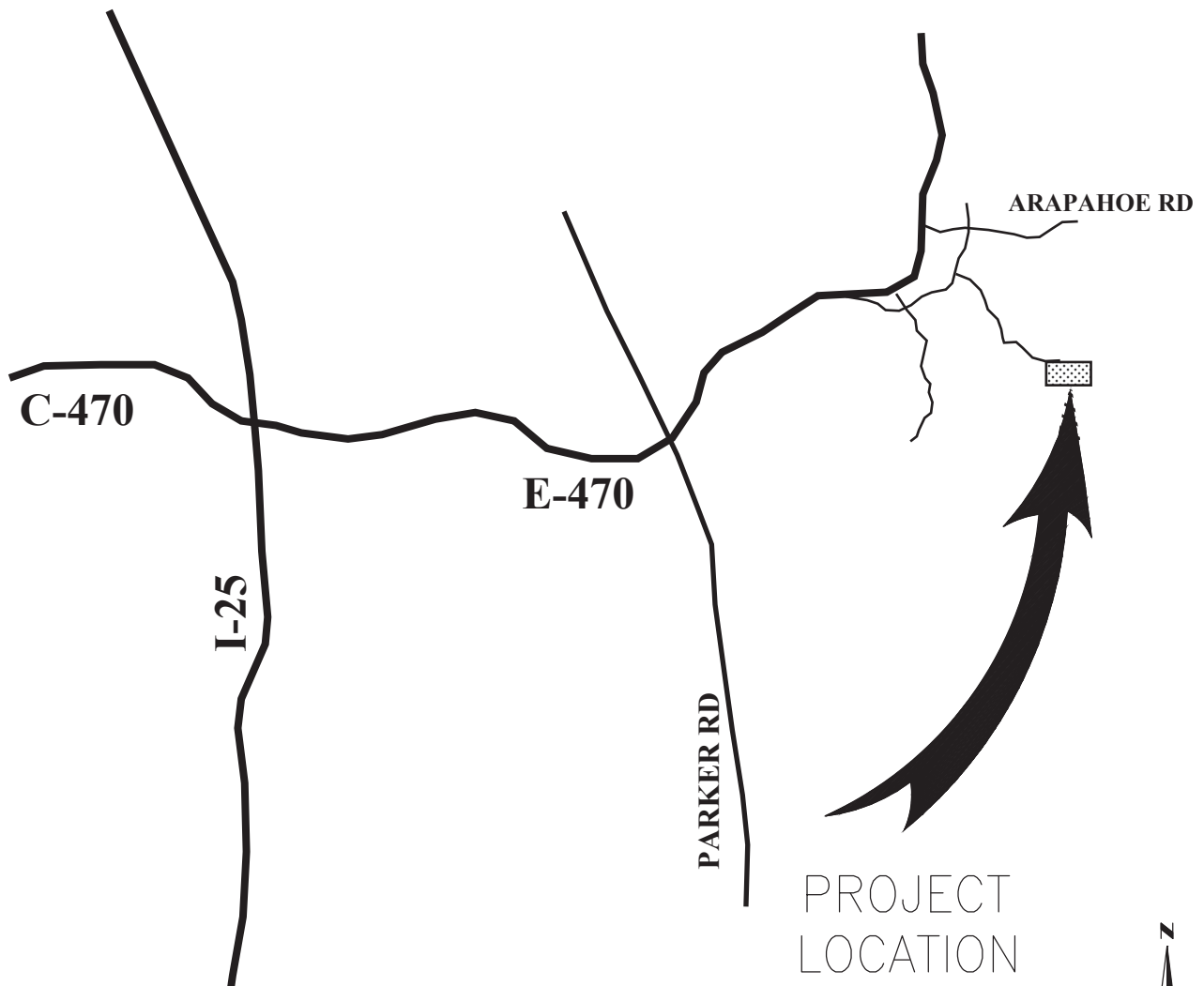
The Developer has reviewed the County's Comprehensive Master Plan and is aware of the County's desire to reflect, acknowledge, and balance the common values, rights, and needs of all County residents and landowners, and its desire to honor and protect the unique, diverse communities and resources within the County. It is the Developer's belief that the proposal is compatible with the community vision for the future and complies with the policies necessary to achieve sustainable growth within the County as expressed in the Comprehensive Master Plan.

8. The City of Aurora will provide sanitary sewer and water services to the Project. Therefore, the District is in compliance with the Colorado Clean Water Plan.

9. The creation of the District will be in the best interests of the area to be served.

As described throughout this Service Plan, the proposed improvements and services necessary to serve the Project are not, and in good faith based upon information and belief, will not be available to the area through the County or other existing municipality or quasi-municipal corporation, including special districts, within a reasonable time and on a comparable basis. The formation of the District will ensure that the public improvements and other services are sufficient and constructed within a reasonable period of time for the benefit of the property owners located in the community.

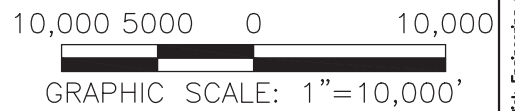
Exhibit A
Vicinity Map



LEGEND:

— PROPERTY BOUNDARY

PROJECT
LOCATION



VICINITY MAP

Exhibit B
Legal Description

A PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS:

BEARINGS ARE BASED ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, ASSUMED TO BEAR SOUTH 00°17'37" EAST, A DISTANCE OF 2875.73 FEET BETWEEN THE FOLLOWING DESCRIBED MONUMENTS:

- NORTHEAST CORNER OF SECTION 5 FOUND 3.25 ALUMINUM CAP PLS 38098 MATCHING MONUMENT RECORD AS FILED.

- EAST QUARTER CORNER OF SECTION 5 FOUND 3.25 ALUMINUM CAP PLS 17666 MATCHING MONUMENT RECORD AS FILED.

COMMENCING AT SAID EAST QUARTER CORNER;

THENCE NORTH 89°23'40" WEST, A DISTANCE OF 40.00 FEET TO THE NORTHEAST CORNER OF HIDDEN PINES FILING 1, RECEPTION NO. 2015070148 AND THE POINT OF BEGINNING;

THENCE NORTH 89°23'40" WEST, ALONG THE NORTHERLY LINE OF SAID HIDDEN PINES FILING 1, A DISTANCE OF 2,622.69 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION 5;

THENCE NORTH 89°15'04" WEST, ALONG THE NORTH LINE OF RECEPTION NUMBER 02057841, A DISTANCE OF 667.03 FEET TO A NUMBER 3 REBAR;

THENCE NORTH 89°14'20" WEST, ALONG THE NORTH LINE OF RECEPTION NUMBER 2017080419, A DISTANCE OF 667.44 FEET TO A NUMBER 3 REBAR;

THENCE NORTH 89°20'35" WEST, A DISTANCE OF 759.67 FEET TO THE SOUTHEAST CORNER OF LIVENGOOD HILLS, RECEPTION NO. 122187 AS MONUMENTED WITH A REBAR AND ILLEGIBLE 1" YELLOW PLASTIC CAP;

THENCE ALONG THE EASTERLY LINE OF SAID LIVENGOOD HILLS THE FOLLOWING EIGHT (8) COURSES AND DISTANCES;

1. NORTH 01°02'19" WEST, A DISTANCE OF 786.32 FEET TO A NUMBER 3 REBAR;
2. NORTH 01°00'17" WEST, A DISTANCE OF 260.0 FEET TO A NUMBER 3 REBAR;
3. NORTH 00°45'18" WEST, A DISTANCE OF 284.85 FEET TO A NUMBER 3 REBAR;
4. NORTH 00°57'03" WEST, A DISTANCE OF 349.45 FEET TO A NUMBER 3 REBAR;
5. NORTH 00°52'40" WEST, A DISTANCE OF 298.91 FEET TO A NUMBER 3 REBAR;
6. NORTH 00°53'11" WEST, A DISTANCE OF 359.79 FEET TO A NUMBER 3 REBAR;

7. NORTH 00°50'34" WEST, A DISTANCE OF 274.87 FEET TO A NUMBER 3 REBAR;

8. NORTH 01°29'58" WEST, A DISTANCE OF 162.62 FEET TO A REBAR AND ILLEGIBLE 1" YELLOW PLASTIC CAP;
 THENCE NORTH 89°24'25" EAST, A DISTANCE OF 953.09 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF SOUTH SAMPSON GULCH WAY;
 THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING NINE (9) COURSES AND DISTANCES;

1. THENCE SOUTH 32°45'44" EAST, A DISTANCE OF 47.25 FEET;
2. THENCE NORTH 89°24'25" EAST, A DISTANCE OF 68.30 FEET;
3. THENCE ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 762.00 FEET, A CENTRAL ANGLE OF 39°02'44", WHOSE CHORD BEARS SOUTH 70°58'12" EAST A DISTANCE OF 509.29 FEET, FOR AN ARC DISTANCE OF 519.28 FEET;
4. THENCE NORTH 89°30'27" EAST, A DISTANCE OF 2,314.30 FEET;
5. THENCE ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 8,037.00 FEET, A CENTRAL ANGLE OF 04°34'07", WHOSE CHORD BEARS NORTH 87°13'23" EAST A DISTANCE OF 640.68 FEET, FOR AN ARC DISTANCE OF 640.85 FEET;
6. THENCE NORTH 84°56'19" EAST, A DISTANCE OF 106.12 FEET;
7. THENCE NORTH 89°30'46" EAST, A DISTANCE OF 37.62 FEET;
8. THENCE NORTH 85°00'55" EAST, A DISTANCE OF 88.65 FEET;
9. THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 18.00 FEET, A CENTRAL ANGLE OF 94°41'31", WHOSE CHORD BEARS SOUTH 47°38'19" EAST A DISTANCE OF 26.48 FEET, FOR AN ARC DISTANCE OF 29.75 FEET TO THE WESTERLY RIGHT-OF-WAY OF NORTH PINEY LAKE ROAD;
 THENCE ALONG SAID RIGHT-OF-WAY THE FOLLOWING FIVE (5) COURSES AND DISTANCES;

1. THENCE SOUTH 00°17'34" EAST, A DISTANCE OF 42.22 FEET;
2. THENCE NORTH 89°42'26" EAST, A DISTANCE OF 25.86 FEET;
3. THENCE SOUTH 00°17'37" EAST, A DISTANCE OF 300.53 FEET;
4. THENCE SOUTH 00°41'23" WEST, A DISTANCE OF 582.71 FEET;
5. THENCE SOUTH 00°17'37" EAST, A DISTANCE OF 1,759.86 FEET TO THE POINT OF BEGINNING.

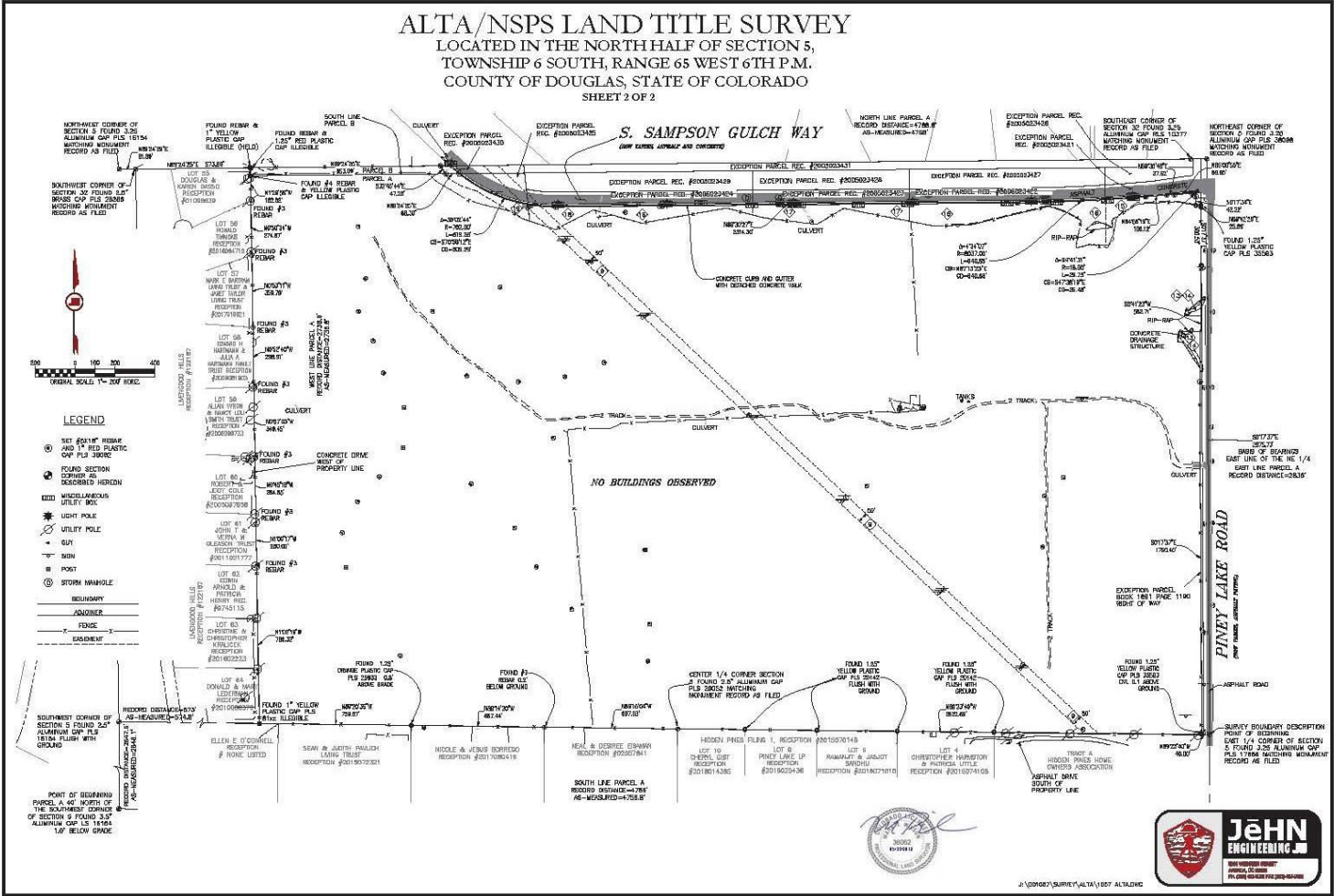
CONTAINING 12,640,269 SQUARE FEET OR 290.180 ACRES, MORE OR LESS

NOTE: SURVEY BOUNDARY DESCRIPTION IS BEING PROVIDED TO COMBINE BOTH PARCELS INTO ONE DESCRIPTION AND TO REMOVE THE EXCEPTION PARCELS IN PREPARATION OF A SUBDIVISION PLAT.

Exhibit C
District Boundary Map

Shaded area is within the District's boundaries.

DN 3586133.1



Service Plan for Trails Metropolitan District

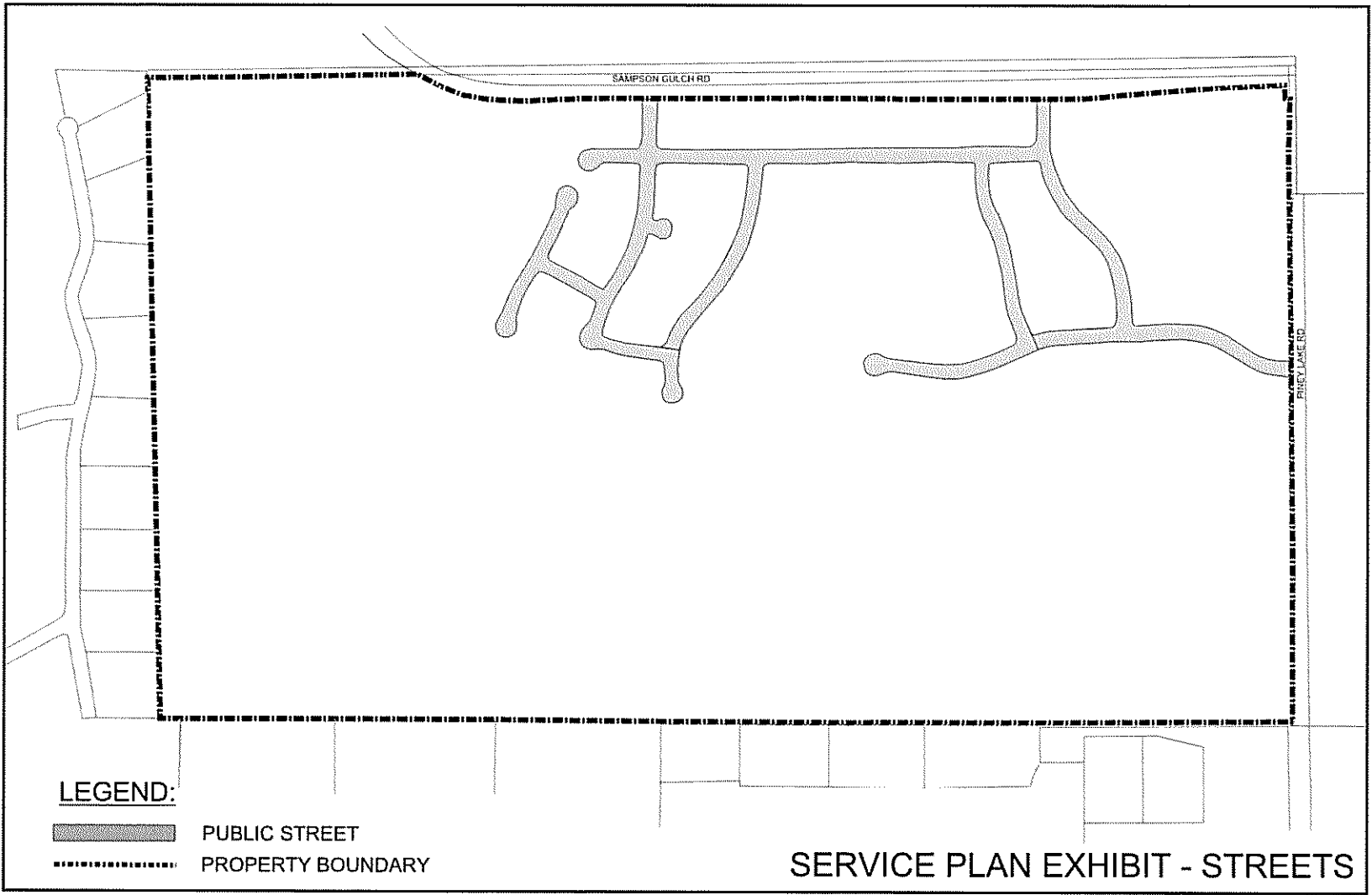
Exhibit D
Cost of Improvements

Trails Metropolitan District
Cost Estimates

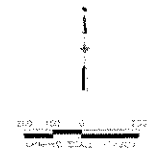
Conceptual Estimate of Development Cost					
Work Area	Improvement Plan	Unit	Unit Price	Quantity	Total Cost
Streets	Street Paving, Asphalt, 4" depth	SY-IN	\$6.00	125,000	\$ 750,000
	Base course, 9" depth	SY-IN	\$2.50	280,000	\$ 700,000
	Subgrade Prep	SY	\$5.00	35,000	\$ 175,000
	Combination Curb, Gutter & Walk	LF	\$25.00	18,000	\$ 450,000
	Edgedrain	LF	\$19.00	18,000	\$ 342,000
	Curb Ramps	EA	\$1,500.00	38	\$ 57,000
	Cross Pans	EA	\$4,200.00	10	\$ 42,000
	Earthwork Cut	CY	\$3.00	100,000	\$ 300,000
	Erosion Control	AC	\$4,000.00	100	\$ 400,000
	Clear & Grub	AC	\$300.00	100	\$ 30,000
					Subtotal
Traffic	Thermoplastic Paint	LF	\$0.80	32,000	\$ 25,600
	Thermoplastic Paint	LF	\$0.80	1,000	\$ 800
	Street Signs	EA	\$500.00	40	\$ 20,000
	Sign Post	EA	\$500.00	35	\$ 17,500
	Regulatory Signs	EA	\$1,000.00	10	\$ 10,000
	Crosswalk	SF	\$3.50	3,000	\$ 10,500
	Stop Bar	SF	\$3.50	600	\$ 2,100
	Traffic Signal (25% share of a new signal)	EA	\$100,000.00	1	\$ 100,000
	Remove Striping	LF	\$2.00	500	\$ 1,000
				Subtotal	\$ 187,500
Storm Drainage	Storm Drain, 48" RCP	LF	\$148.00	425	\$ 62,900
	Storm Drain, 30" RCP	LF	\$75.00	500	\$ 37,500
	Storm Drain, 24" RCP	LF	\$60.00	800	\$ 48,000
	Storm Drain, 18" RCP	LF	\$50.00	1,000	\$ 50,000
	60" Manhole	EA	\$2,600.00	4	\$ 10,400
	48" Manhole	EA	\$1,600.00	15	\$ 24,000
	48" Flared End Section	EA	\$2,750.00	4	\$ 11,000
	30" Flared End Section	EA	\$2,000.00	8	\$ 16,000
	5' Type R Inlet	EA	\$4,000.00	6	\$ 24,000
	10' Type R Inlet	EA	\$6,000.00	6	\$ 36,000
	15' Type R Inlet	EA	\$8,000.00	2	\$ 16,000
	Type C Inlet	EA	\$5,000.00	4	\$ 20,000
	Riprap	CY	\$60.00	8,000	\$ 480,000
	6' Concrete Trickle Channel	LF	\$35.00	1,500	\$ 52,500
	Trash Rack	EA	\$1,500.00	4	\$ 6,000
	Pond Outlet Structure	EA	\$25,000.00	4	\$ 100,000
	Forebay	EA	\$27,000.00	4	\$ 108,000
	Micro Pool	EA	\$10,000.00	4	\$ 40,000
Detention Pond	EA	\$75,000.00	4	\$ 300,000	
				Subtotal	\$ 1,442,300
Water	Water Main, 8" PVC	LF	\$50.00	12,000	\$ 600,000
	Connection to Existing Main	EA	\$5,000.00	4	\$ 20,000
	6" Fire Hydrant Assembly	EA	\$6,500.00	14	\$ 91,000
	2" Blow Off Valve	EA	\$150.00	4	\$ 600
	Gate Valve, 8"	EA	\$1,700.00	25	\$ 42,500
	Tees	EA	\$842.00	20	\$ 16,840
	Bends	EA	\$750.00	50	\$ 37,500
				Subtotal	\$ 808,440
Sewer	Sewer Main, 8"	LF	\$40.00	12,000	\$ 480,000
	Sewer Manholes	EA	\$3,500.00	25	\$ 87,500
	Connection to Existing Stub	EA	\$5,000.00	1	\$ 5,000
				Subtotal	\$ 572,500

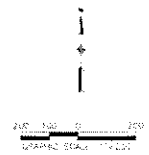
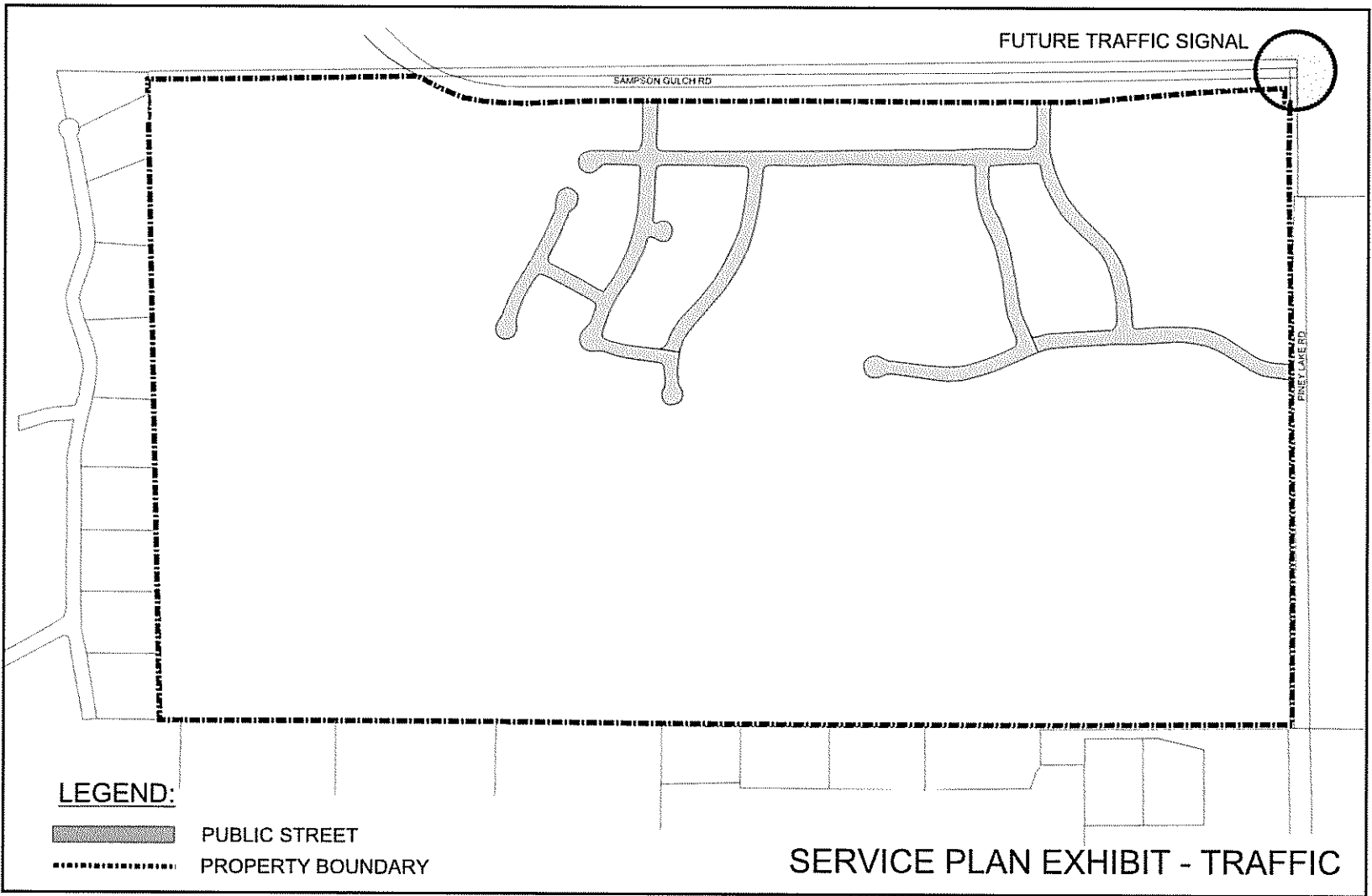
Parks and Recreation	Canopy Trees	EA	\$450.00	250	\$ 112,500
	Evergreen Trees	EA	\$450.00	150	\$ 67,500
	Ornamental Trees	EA	\$350.00	50	\$ 17,500
	Shrubs	EA	\$38.00	750	\$ 28,500
	Ornamental Grasses & Perennials	EA	\$15.00	4,000	\$ 60,000
	Turf Grass w/ Prep	SF	\$0.65	6,000	\$ 3,900
	Native Seed Mix	SF	\$0.65	150,000	\$ 97,500
	Irrigation System	LS	\$5,000.00	1	\$ 5,000
	Fencing	LS	\$250,000.00	1	\$ 250,000
	Fine Grading	SF	\$0.04	200,000	\$ 8,000
	Entry Monument Sign	EA	\$25,000.00	4	\$ 100,000
	Entry Monument Landscaping	EA	\$50,000.00	4	\$ 200,000
	Multi-Use Trail	LS	\$750,000.00	1	\$ 750,000
	Trailhead Parking Area	LS	\$250,000.00	1	\$ 250,000
	Trailhead Amenities	LS	\$100,000.00	2	\$ 200,000
				Subtotal	\$ 2,150,400
Improvement Cost Subtotal:					\$ 8,407,140
Construction Management, Testing & Support	15% of Improvement Cost			\$	1,261,071
Project Subtotal:					\$ 9,668,211
Contingency	10% of Project Subtotal			\$	966,821
TOTAL:					\$ 10,635,032

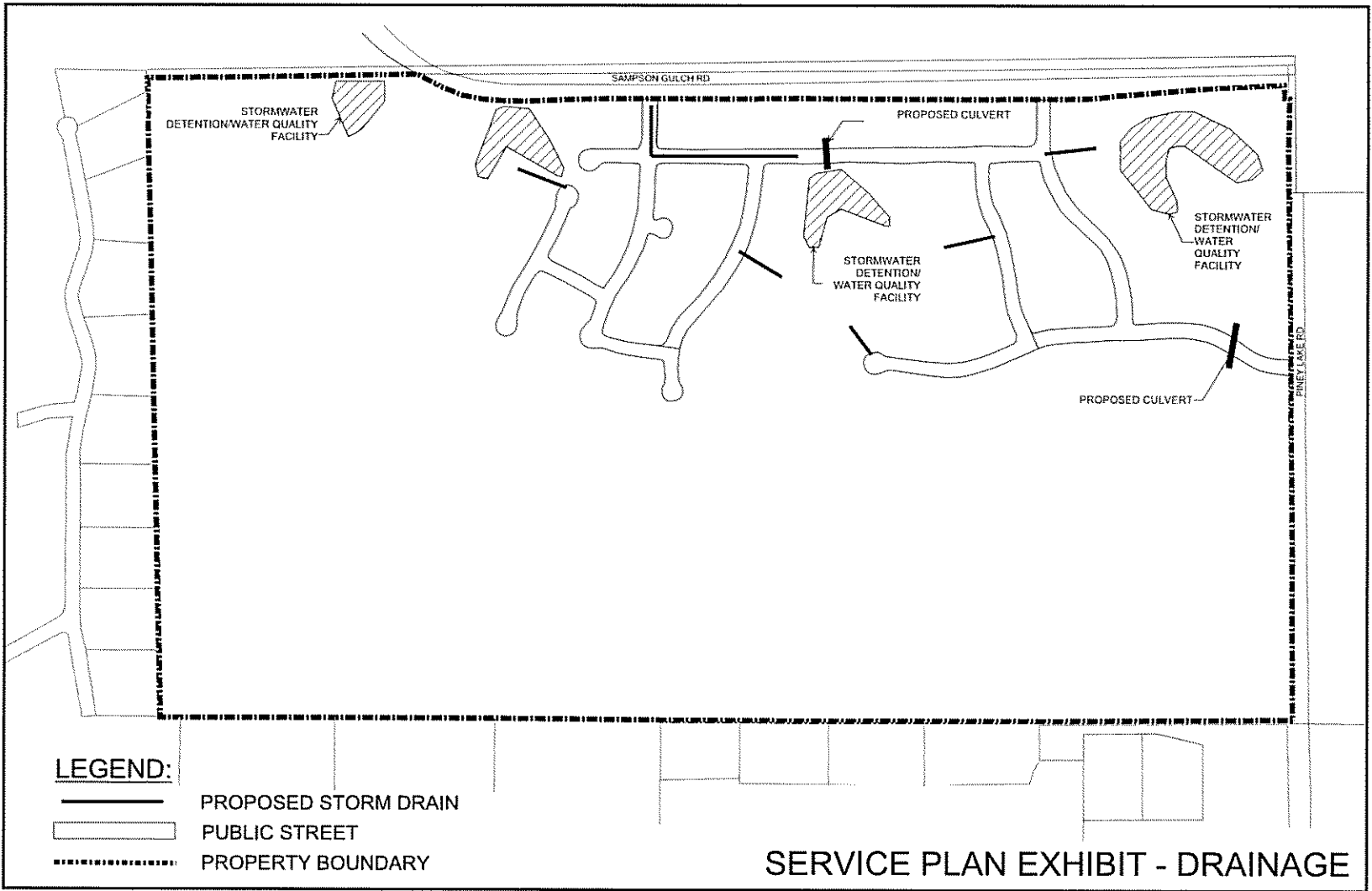
Exhibit E
Map of Improvements



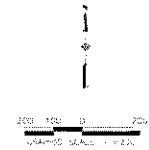
RICK
ENGINEERING COMPANY

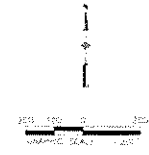
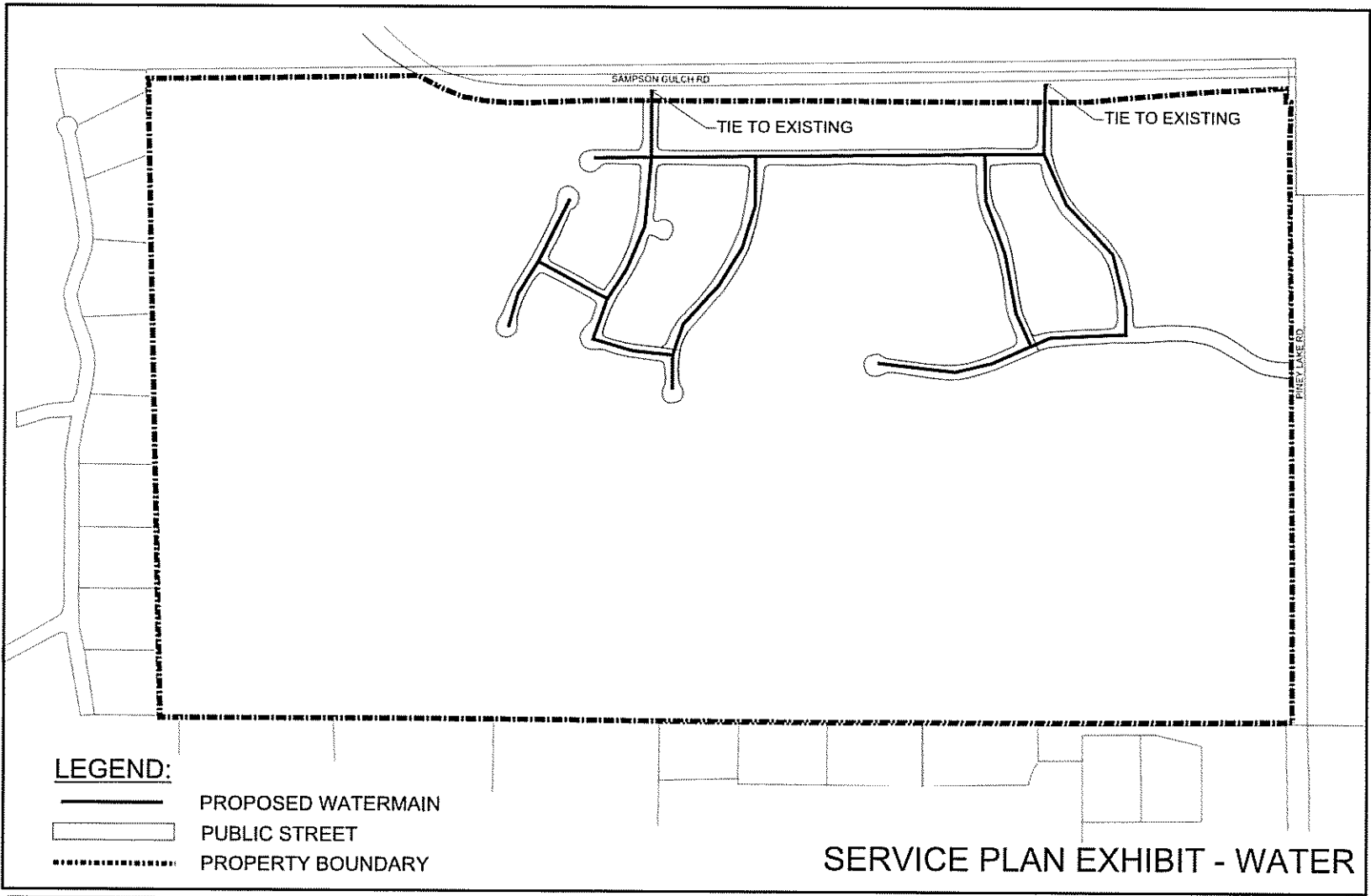


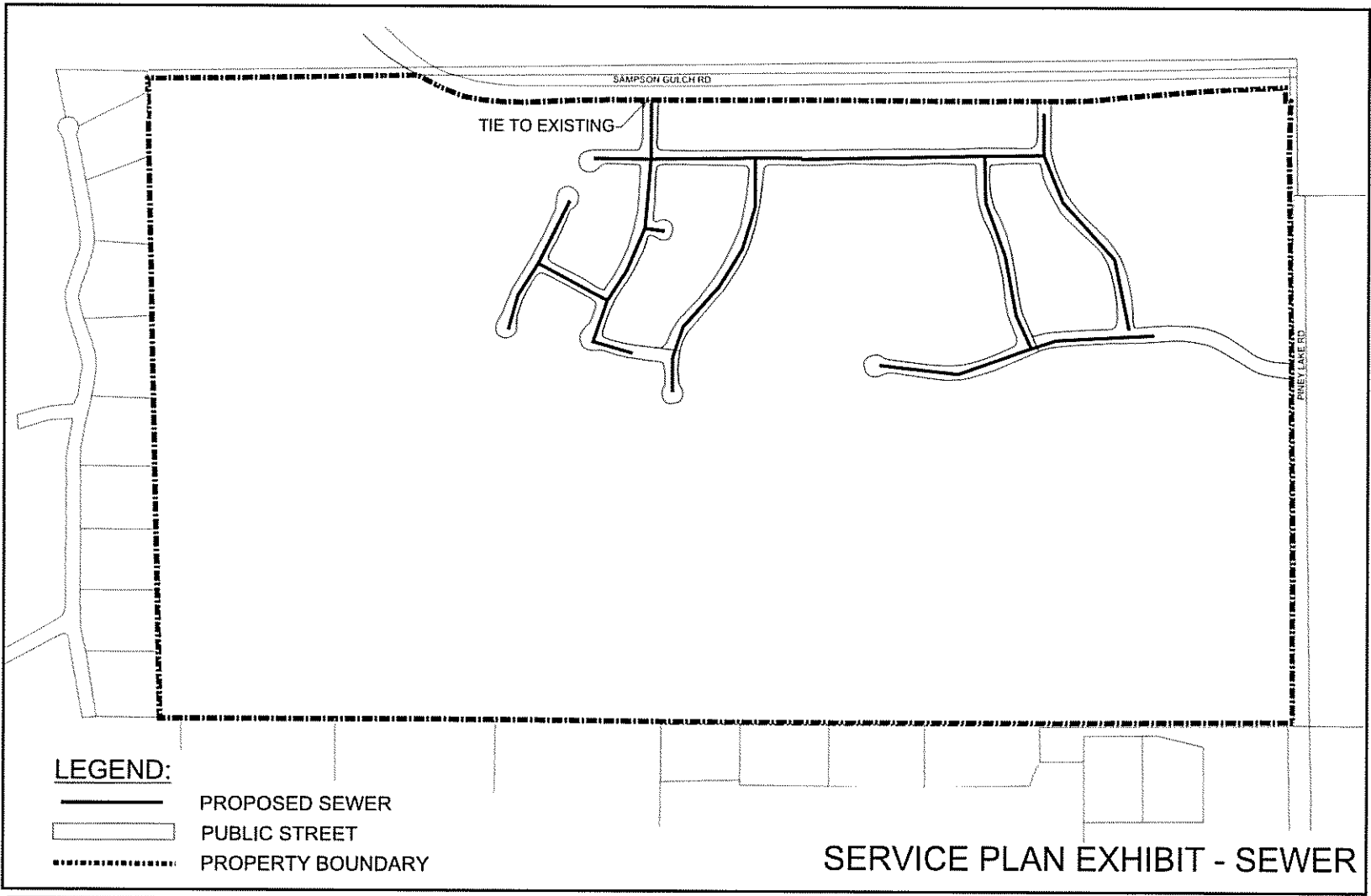




RICK
ENGINEERING COMPANY







RICK
ENGINEERING COMPANY

SERVICE PLAN EXHIBIT - SEWER



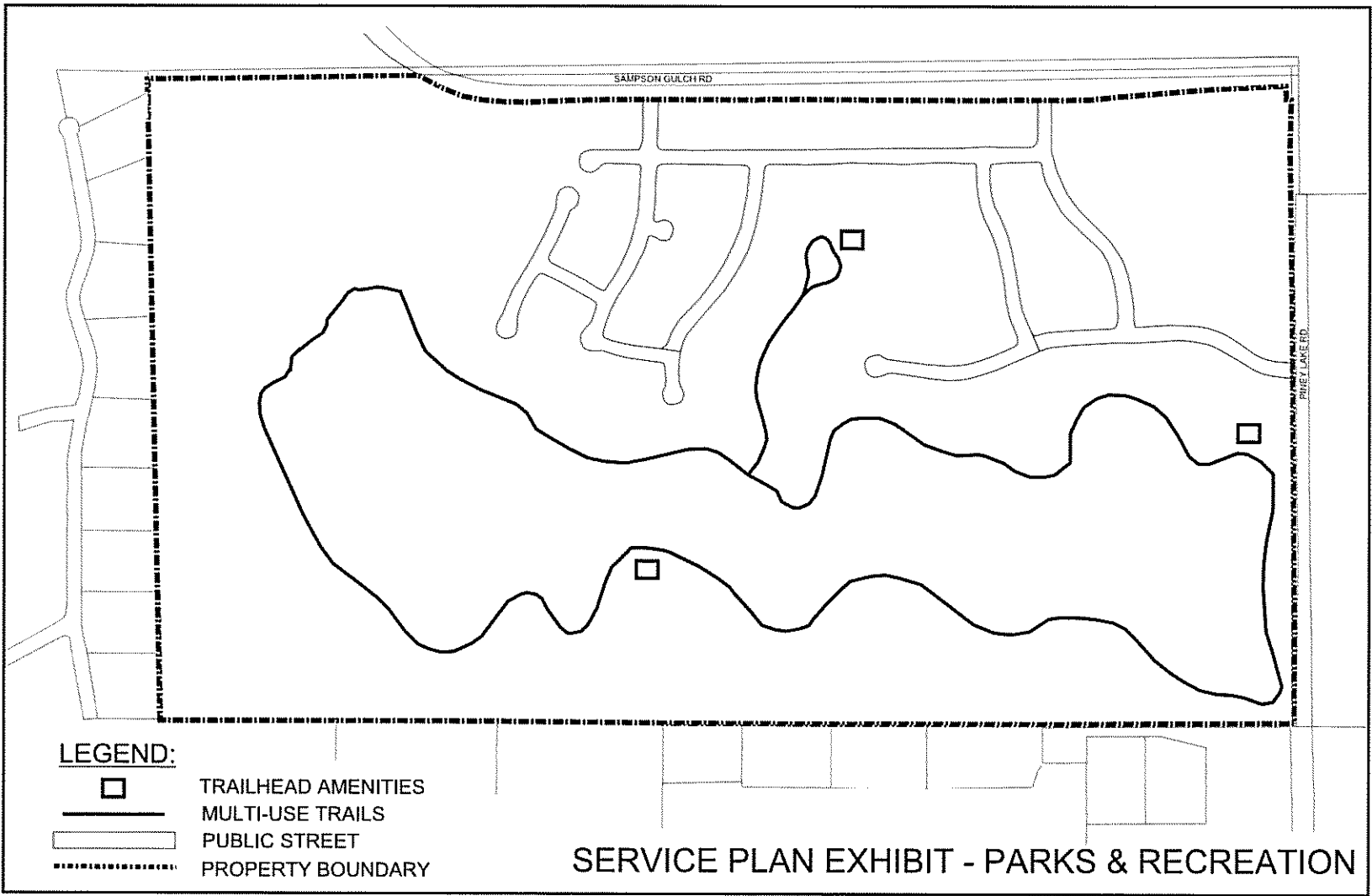


Exhibit F
Financial Plan

TRAILS METROPOLITAN DISTRICT

Development Projection at 50.000 (target) Mills for Debt Service -- 06/11/2019

Series 2020, G.O. Bonds, Non-Rated 1x @ Cap, 30-yr. Maturity -- Service Plan

YEAR	<<<<<<< Residential >>>>>>>>			< Platted/Developed Lots >		Total Assessed Value	District	District	District	Total Available Revenue
	Mkt Value		As'ed Value	As'ed Value	D/S Mill Levy		D/S Mill Levy	S.O. Taxes		
	Total Res'l Units	Biennial Reasses'mt @ 6.0%	Cumulative Market Value	@ 7.15% of Market (2-yr lag)	Cumulative Market Value		@ 29.00% of Market (2-yr lag)	[50.000 Target] [50.000 Cap]	Collections @ 98%	
2018	0	0	0		0	0		0	\$0	0
2019	0		0	0	1,050,000	0	50.000	0	0	0
2020	15	0	10,710,000	0	4,200,000	0	50.000	0	0	0
2021	60		54,406,800	0	4,200,000	304,500	50.000	14,921	895	15,816
2022	60	3,264,408	102,241,944	765,765	280,000	1,218,000	50.000	97,204	5,832	103,037
2023	4		105,272,754	3,890,086	(0)	1,218,000	50.000	250,296	15,018	265,314
2024	0	6,316,365	111,589,119	7,310,299	(0)	81,200	50.000	362,183	21,731	383,914
2025	0		111,589,119	7,527,002	(0)	(0)	50.000	368,823	22,129	390,952
2026	0	6,695,347	118,284,466	7,978,622	(0)	(0)	50.000	390,952	23,457	414,410
2027	0		118,284,466	7,978,622	(0)	(0)	50.000	390,952	23,457	414,410
2028	0	7,097,068	125,381,534	8,457,339	(0)	(0)	50.000	414,410	24,865	439,274
2029	0		125,381,534	8,457,339	(0)	(0)	50.000	414,410	24,865	439,274
2030	0	7,522,892	132,904,427	8,964,780	(0)	(0)	50.000	439,274	26,356	465,631
2031	0		132,904,427	8,964,780	(0)	(0)	50.000	439,274	26,356	465,631
2032	0	7,974,266	140,878,692	9,502,666	(0)	(0)	50.000	465,631	27,938	493,568
2033	0		140,878,692	9,502,666	(0)	(0)	50.000	465,631	27,938	493,568
2034	0	8,452,722	149,331,414	10,072,826	(0)	(0)	50.000	493,568	29,614	523,183
2035	0		149,331,414	10,072,826	(0)	(0)	50.000	493,568	29,614	523,183
2036	0	8,959,885	158,291,298	10,677,196	(0)	(0)	50.000	523,183	31,391	554,574
2037	0		158,291,298	10,677,196	(0)	(0)	50.000	523,183	31,391	554,574
2038	0	9,497,478	167,788,776	11,317,828	(0)	(0)	50.000	554,574	33,274	587,848
2039	0		167,788,776	11,317,828	(0)	(0)	50.000	554,574	33,274	587,848
2040		10,067,327	177,856,103	11,996,898	(0)	(0)	50.000	587,848	35,271	623,119
2041			177,856,103	11,996,898	(0)	(0)	50.000	587,848	35,271	623,119
2042		10,671,366	188,527,469	12,716,711	(0)	(0)	50.000	623,119	37,387	660,506
2043			188,527,469	12,716,711	(0)	(0)	50.000	623,119	37,387	660,506
2044		11,311,648	199,839,117	13,479,714	(0)	(0)	50.000	660,506	39,630	700,136
2045			199,839,117	13,479,714	(0)	(0)	50.000	660,506	39,630	700,136
2046		11,990,347	211,829,464	14,288,497	(0)	(0)	50.000	700,136	42,008	742,145
2047			211,829,464	14,288,497	(0)	(0)	50.000	700,136	42,008	742,145
2048		12,709,768	224,539,232	15,145,807	(0)	(0)	50.000	742,145	44,529	786,673
2049			224,539,232	15,145,807	(0)	(0)	50.000	742,145	44,529	786,673
2050		13,472,354	238,011,586	16,054,555	(0)	(0)	50.000	786,673	47,200	833,874
	139	136,003,240						15,070,792	904,247	15,975,039

TRAILS METROPOLITAN DISTRICT

Development Projection at 50.000 (target) Mills for Debt Service -- 06/11/2019

Series 2020, G.O. Bonds, Non-Rated 1x @ Cap, 30-yr. Maturity -- Service Plan

YEAR	Net Available for Debt Svc @ 100%	Ser. 2020 \$7,940,000 Par [Net \$5.613 MM] Net Debt Service	Total Net Debt Service	Annual Surplus	Surplus Release to \$794,000	Cumulative Surplus \$794,000 Target	Senior Debt/ Assessed Ratio	Cov. of Net DS: @ 50.000 Target	Cov. of Net DS: @ 50.000 Cap
2018	0		0	0			n/a	0.0%	0.0%
2019	0		0	0	0		n/a	0.0%	0.0%
2020	0	\$0	0	0	0	0	2608%	0.0%	0.0%
2021	15,816	0	0	15,816	0	15,816	400%	0.0%	0.0%
2022	103,037	0	0	103,037	0	118,852	155%	0.0%	0.0%
2023	265,314	0	0	265,314	0	384,166	107%	0.0%	0.0%
2024	383,914	397,000	397,000	(13,086)	0	371,081	105%	96.7%	96.7%
2025	390,952	397,000	397,000	(6,048)	0	365,033	100%	98.5%	98.5%
2026	414,410	412,000	412,000	2,410	0	367,443	99%	100.6%	100.6%
2027	414,410	411,250	411,250	3,160	0	370,603	94%	100.8%	100.8%
2028	439,274	435,500	435,500	3,774	0	374,377	93%	100.9%	100.9%
2029	439,274	438,500	438,500	774	0	375,151	87%	100.2%	100.2%
2030	465,631	461,250	461,250	4,381	0	379,532	87%	100.9%	100.9%
2031	465,631	462,750	462,750	2,881	0	382,412	81%	100.6%	100.6%
2032	493,568	489,000	489,000	4,568	0	386,981	80%	100.9%	100.9%
2033	493,568	488,750	488,750	4,818	0	391,799	74%	101.0%	101.0%
2034	523,183	518,250	518,250	4,933	0	396,732	73%	101.0%	101.0%
2035	523,183	521,000	521,000	2,183	0	398,915	67%	100.4%	100.4%
2036	554,574	553,250	553,250	1,324	0	400,238	65%	100.2%	100.2%
2037	554,574	553,500	553,500	1,074	0	401,312	60%	100.2%	100.2%
2038	587,848	583,250	583,250	4,598	0	405,910	58%	100.8%	100.8%
2039	587,848	586,000	586,000	1,848	0	407,758	52%	100.3%	100.3%
2040	623,119	623,000	623,000	119	0	407,877	50%	100.0%	100.0%
2041	623,119	622,500	622,500	619	0	408,495	44%	100.1%	100.1%
2042	660,506	656,250	656,250	4,256	0	412,751	41%	100.6%	100.6%
2043	660,506	657,500	657,500	3,006	0	415,757	36%	100.5%	100.5%
2044	700,136	697,750	697,750	2,386	0	418,144	33%	100.3%	100.3%
2045	700,136	700,000	700,000	136	0	418,280	27%	100.0%	100.0%
2046	742,145	741,000	741,000	1,145	0	419,425	24%	100.2%	100.2%
2047	742,145	738,750	738,750	3,395	0	422,819	19%	100.5%	100.5%
2048	786,673	785,250	785,250	1,423	0	424,242	14%	100.2%	100.2%
2049	786,673	783,000	783,000	3,673	0	427,916	9%	100.5%	100.5%
2050	833,874	831,604	831,604	2,269	430,185	0	0%	100.3%	100.3%
	15,975,039	15,544,854	15,544,854	430,185	430,185				

[EJun1119 20sp30E]

TRAILS METROPOLITAN DISTRICT

Development Projection -- Buildout Plan (updated 6/11/19)

YEAR	Residential Development					Residential Summary		Value of Platted & Developed Lots	
	# Lots Devel'd	Incr/(Decr) in Value @ 10% Finished Lot	# Units Completed <i>SFDs</i> 139 target	Price Inflated @ 2%	Market Value	Total Residential Market Value	Total Res'l Units	Adjustment ¹	Adjusted Value
2017									0
2018	0	0						0	0
2019	15	1,050,000		\$700,000	0	\$0	0	0	1,050,000
2020	60	3,150,000	15	714,000	10,710,000	10,710,000	15	0	3,150,000
2021	60	0	60	728,280	43,696,800	43,696,800	60	0	0
2022	4	(3,920,000)	60	742,846	44,570,736	44,570,736	60	0	(3,920,000)
2023	0	(280,000)	4	757,703	3,030,810	3,030,810	4	0	(280,000)
2024	0	0	0	772,857	0	0	0	0	0
	139	(0)	139		102,008,346	102,008,346	139	0	(0)

[1] Adj. to actual/prelim AV; Incl Ag.

SOURCES AND USES OF FUNDS

**TRAILS METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2020
50.000 (target) Mills -- Service Plan
Non-Rated, 1x, 2050 Final Maturity
[Preliminary -- for discussion only]**

Dated Date	12/01/2020
Delivery Date	12/01/2020

Sources:

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Bond Proceeds:	
Par Amount	7,940,000.00
<hr/>	
	7,940,000.00
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Uses:

<hr/>	
Project Fund Deposits:	
Project Fund	5,612,554.17
Other Fund Deposits:	
Capitalized Interest Fund	1,191,000.00
Debt Service Reserve	727,645.83
	1,918,645.83
Delivery Date Expenses:	
Cost of Issuance	250,000.00
Underwriter's Discount	158,800.00
	408,800.00
<hr/>	
	7,940,000.00
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BOND SUMMARY STATISTICS

TRAILS METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2020 50.000 (target) Mills -- Service Plan Non-Rated, 1x, 2050 Final Maturity [Preliminary -- for discussion only]

Dated Date	12/01/2020
Delivery Date	12/01/2020
First Coupon	06/01/2021
Last Maturity	12/01/2050
Arbitrage Yield	5.000000%
True Interest Cost (TIC)	5.148930%
Net Interest Cost (NIC)	5.000000%
All-In TIC	5.392555%
Average Coupon	5.000000%
Average Life (years)	23.989
Weighted Average Maturity (years)	23.989
Duration of Issue (years)	13.852
Par Amount	7,940,000.00
Bond Proceeds	7,940,000.00
Total Interest	9,523,500.00
Net Interest	9,682,300.00
Bond Years from Dated Date	190,470,000.00
Bond Years from Delivery Date	190,470,000.00
Total Debt Service	17,463,500.00
Maximum Annual Debt Service	1,559,250.00
Average Annual Debt Service	582,116.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 2050	7,940,000.00	100.000	5.000%	23.989	11/26/2044	12,307.00
	7,940,000.00			23.989		12,307.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	7,940,000.00	7,940,000.00	7,940,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-158,800.00	-158,800.00	
- Cost of Issuance Expense		-250,000.00	
- Other Amounts			
Target Value	7,781,200.00	7,531,200.00	7,940,000.00
Target Date	12/01/2020	12/01/2020	12/01/2020
Yield	5.148930%	5.392555%	5.000000%

BOND DEBT SERVICE

TRAILS METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2020
50.000 (target) Mills -- Service Plan
Non-Rated, 1x, 2050 Final Maturity
[Preliminary -- for discussion only]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2021			198,500	198,500	
12/01/2021			198,500	198,500	397,000
06/01/2022			198,500	198,500	
12/01/2022			198,500	198,500	397,000
06/01/2023			198,500	198,500	
12/01/2023			198,500	198,500	397,000
06/01/2024			198,500	198,500	
12/01/2024			198,500	198,500	397,000
06/01/2025			198,500	198,500	
12/01/2025			198,500	198,500	397,000
06/01/2026			198,500	198,500	
12/01/2026	15,000	5.000%	198,500	213,500	412,000
06/01/2027			198,125	198,125	
12/01/2027	15,000	5.000%	198,125	213,125	411,250
06/01/2028			197,750	197,750	
12/01/2028	40,000	5.000%	197,750	237,750	435,500
06/01/2029			196,750	196,750	
12/01/2029	45,000	5.000%	196,750	241,750	438,500
06/01/2030			195,625	195,625	
12/01/2030	70,000	5.000%	195,625	265,625	461,250
06/01/2031			193,875	193,875	
12/01/2031	75,000	5.000%	193,875	268,875	462,750
06/01/2032			192,000	192,000	
12/01/2032	105,000	5.000%	192,000	297,000	489,000
06/01/2033			189,375	189,375	
12/01/2033	110,000	5.000%	189,375	299,375	488,750
06/01/2034			186,625	186,625	
12/01/2034	145,000	5.000%	186,625	331,625	518,250
06/01/2035			183,000	183,000	
12/01/2035	155,000	5.000%	183,000	338,000	521,000
06/01/2036			179,125	179,125	
12/01/2036	195,000	5.000%	179,125	374,125	553,250
06/01/2037			174,250	174,250	
12/01/2037	205,000	5.000%	174,250	379,250	553,500
06/01/2038			169,125	169,125	
12/01/2038	245,000	5.000%	169,125	414,125	583,250
06/01/2039			163,000	163,000	
12/01/2039	260,000	5.000%	163,000	423,000	586,000
06/01/2040			156,500	156,500	
12/01/2040	310,000	5.000%	156,500	466,500	623,000
06/01/2041			148,750	148,750	
12/01/2041	325,000	5.000%	148,750	473,750	622,500
06/01/2042			140,625	140,625	
12/01/2042	375,000	5.000%	140,625	515,625	656,250
06/01/2043			131,250	131,250	
12/01/2043	395,000	5.000%	131,250	526,250	657,500
06/01/2044			121,375	121,375	
12/01/2044	455,000	5.000%	121,375	576,375	697,750
06/01/2045			110,000	110,000	
12/01/2045	480,000	5.000%	110,000	590,000	700,000
06/01/2046			98,000	98,000	
12/01/2046	545,000	5.000%	98,000	643,000	741,000
06/01/2047			84,375	84,375	
12/01/2047	570,000	5.000%	84,375	654,375	738,750
06/01/2048			70,125	70,125	
12/01/2048	645,000	5.000%	70,125	715,125	785,250
06/01/2049			54,000	54,000	
12/01/2049	675,000	5.000%	54,000	729,000	783,000
06/01/2050			37,125	37,125	
12/01/2050	1,485,000	5.000%	37,125	1,522,125	1,559,250
	7,940,000		9,523,500	17,463,500	17,463,500

NET DEBT SERVICE

**TRAILS METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2020
50.000 (target) Mills -- Service Plan
Non-Rated, 1x, 2050 Final Maturity
[Preliminary -- for discussion only]**

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve	Capitalized Interest Fund	Net Debt Service
12/01/2021		397,000	397,000		397,000	
12/01/2022		397,000	397,000		397,000	
12/01/2023		397,000	397,000		397,000	
12/01/2024		397,000	397,000			397,000.00
12/01/2025		397,000	397,000			397,000.00
12/01/2026	15,000	397,000	412,000			412,000.00
12/01/2027	15,000	396,250	411,250			411,250.00
12/01/2028	40,000	395,500	435,500			435,500.00
12/01/2029	45,000	393,500	438,500			438,500.00
12/01/2030	70,000	391,250	461,250			461,250.00
12/01/2031	75,000	387,750	462,750			462,750.00
12/01/2032	105,000	384,000	489,000			489,000.00
12/01/2033	110,000	378,750	488,750			488,750.00
12/01/2034	145,000	373,250	518,250			518,250.00
12/01/2035	155,000	366,000	521,000			521,000.00
12/01/2036	195,000	358,250	553,250			553,250.00
12/01/2037	205,000	348,500	553,500			553,500.00
12/01/2038	245,000	338,250	583,250			583,250.00
12/01/2039	260,000	326,000	586,000			586,000.00
12/01/2040	310,000	313,000	623,000			623,000.00
12/01/2041	325,000	297,500	622,500			622,500.00
12/01/2042	375,000	281,250	656,250			656,250.00
12/01/2043	395,000	262,500	657,500			657,500.00
12/01/2044	455,000	242,750	697,750			697,750.00
12/01/2045	480,000	220,000	700,000			700,000.00
12/01/2046	545,000	196,000	741,000			741,000.00
12/01/2047	570,000	168,750	738,750			738,750.00
12/01/2048	645,000	140,250	785,250			785,250.00
12/01/2049	675,000	108,000	783,000			783,000.00
12/01/2050	1,485,000	74,250	1,559,250	727,645.83		831,604.17
	7,940,000	9,523,500	17,463,500	727,645.83	1,191,000	15,544,854.17

BOND SOLUTION

**TRAILS METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2020
50.000 (target) Mills -- Service Plan
Non-Rated, 1x, 2050 Final Maturity
[Preliminary -- for discussion only]**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2021		397,000	-397,000		15,816	15,816	
12/01/2022		397,000	-397,000		103,037	103,037	
12/01/2023		397,000	-397,000		265,314	265,314	
12/01/2024		397,000		397,000	383,914	-13,086	96.70389%
12/01/2025		397,000		397,000	390,952	-6,048	98.47670%
12/01/2026	15,000	412,000		412,000	414,410	2,410	100.58486%
12/01/2027	15,000	411,250		411,250	414,410	3,160	100.76830%
12/01/2028	40,000	435,500		435,500	439,274	3,774	100.86664%
12/01/2029	45,000	438,500		438,500	439,274	774	100.17656%
12/01/2030	70,000	461,250		461,250	465,631	4,381	100.94974%
12/01/2031	75,000	462,750		462,750	465,631	2,881	100.62251%
12/01/2032	105,000	489,000		489,000	493,569	4,569	100.93425%
12/01/2033	110,000	488,750		488,750	493,569	4,819	100.98588%
12/01/2034	145,000	518,250		518,250	523,183	4,933	100.95178%
12/01/2035	155,000	521,000		521,000	523,183	2,183	100.41893%
12/01/2036	195,000	553,250		553,250	554,574	1,324	100.23923%
12/01/2037	205,000	553,500		553,500	554,574	1,074	100.19396%
12/01/2038	245,000	583,250		583,250	587,848	4,598	100.78834%
12/01/2039	260,000	586,000		586,000	587,848	1,848	100.31535%
12/01/2040	310,000	623,000		623,000	623,119	119	100.01908%
12/01/2041	325,000	622,500		622,500	623,119	619	100.09942%
12/01/2042	375,000	656,250		656,250	660,506	4,256	100.64853%
12/01/2043	395,000	657,500		657,500	660,506	3,006	100.45718%
12/01/2044	455,000	697,750		697,750	700,136	2,386	100.34201%
12/01/2045	480,000	700,000		700,000	700,136	136	100.01948%
12/01/2046	545,000	741,000		741,000	742,145	1,145	100.15446%
12/01/2047	570,000	738,750		738,750	742,145	3,395	100.45950%
12/01/2048	645,000	785,250		785,250	786,673	1,423	100.18124%
12/01/2049	675,000	783,000		783,000	786,673	3,673	100.46912%
12/01/2050	1,485,000	1,559,250	-727,646	831,604	833,874	2,269	100.27290%
	7,940,000	17,463,500	-1,918,646	15,544,854	15,975,039	430,185	

TRAILS METROPOLITAN DISTRICT

Development Projection at 50.000 (target) Mills for Debt Service -- 06/11/2019

Series 2030, G.O. Bonds, Assumes Inv. Grade, 1x @ Cap, 30-yr. Maturity, Refunding of Ser. 2020 -- Service Plan

YEAR	<<<<<<< Residential >>>>>>>>				< Platted/Developed Lots >			District D/S Mill Levy [50.000 Target] [50.000 Cap]	District D/S Mill Levy Collections @ 98%	District S.O. Taxes Collected @ 6%	Total Available Revenue
	Total	Reasses'mt	Cumulative	As'ed Value	Cumulative	As'ed Value	Total				
	Res'l Units	@ 6.0%	Market Value	@ 7.15% of Market (2-yr lag)	Market Value	@ 29.00% of Market (2-yr lag)	Assessed Value				
2018	0	0	0	0	0	0	0	50.000	0	\$0	0
2019	0	0	0	0	1,050,000	0	0	50.000	0	0	0
2020	15	0	10,710,000	0	4,200,000	0	0	50.000	0	0	0
2021	60		54,406,800	0	4,200,000	304,500	304,500	50.000	14,921	895	15,816
2022	60	3,264,408	102,241,944	765,765	280,000	1,218,000	1,983,765	50.000	97,204	5,832	103,037
2023	4		105,272,754	3,890,086	(0)	1,218,000	5,108,086	50.000	250,296	15,018	265,314
2024	0	6,316,365	111,589,119	7,310,299	(0)	81,200	7,391,499	50.000	362,183	21,731	383,914
2025	0		111,589,119	7,527,002	(0)	(0)	7,527,002	50.000	368,823	22,129	390,952
2026	0	6,695,347	118,284,466	7,978,622	(0)	(0)	7,978,622	50.000	390,952	23,457	414,410
2027	0		118,284,466	7,978,622	(0)	(0)	7,978,622	50.000	390,952	23,457	414,410
2028	0	7,097,068	125,381,534	8,457,339	(0)	(0)	8,457,339	50.000	414,410	24,865	439,274
2029	0		125,381,534	8,457,339	(0)	(0)	8,457,339	50.000	414,410	24,865	439,274
2030	0	7,522,892	132,904,427	8,964,780	(0)	(0)	8,964,780	50.000	439,274	26,356	465,631
2031	0		132,904,427	8,964,780	(0)	(0)	8,964,780	50.000	439,274	26,356	465,631
2032	0	7,974,266	140,878,692	9,502,666	(0)	(0)	9,502,666	50.000	465,631	27,938	493,568
2033	0		140,878,692	9,502,666	(0)	(0)	9,502,666	50.000	465,631	27,938	493,568
2034	0	8,452,722	149,331,414	10,072,826	(0)	(0)	10,072,826	50.000	493,568	29,614	523,183
2035	0		149,331,414	10,072,826	(0)	(0)	10,072,826	50.000	493,568	29,614	523,183
2036	0	8,959,885	158,291,298	10,677,196	(0)	(0)	10,677,196	50.000	523,183	31,391	554,574
2037	0		158,291,298	10,677,196	(0)	(0)	10,677,196	50.000	523,183	31,391	554,574
2038	0	9,497,478	167,788,776	11,317,828	(0)	(0)	11,317,828	50.000	554,574	33,274	587,848
2039	0		167,788,776	11,317,828	(0)	(0)	11,317,828	50.000	554,574	33,274	587,848
2040		10,067,327	177,856,103	11,996,898	(0)	(0)	11,996,898	50.000	587,848	35,271	623,119
2041			177,856,103	11,996,898	(0)	(0)	11,996,898	50.000	587,848	35,271	623,119
2042		10,671,366	188,527,469	12,716,711	(0)	(0)	12,716,711	50.000	623,119	37,387	660,506
2043			188,527,469	12,716,711	(0)	(0)	12,716,711	50.000	623,119	37,387	660,506
2044		11,311,648	199,839,117	13,479,714	(0)	(0)	13,479,714	50.000	660,506	39,630	700,136
2045			199,839,117	13,479,714	(0)	(0)	13,479,714	50.000	660,506	39,630	700,136
2046		11,990,347	211,829,464	14,288,497	(0)	(0)	14,288,497	50.000	700,136	42,008	742,145
2047			211,829,464	14,288,497	(0)	(0)	14,288,497	50.000	700,136	42,008	742,145
2048		12,709,768	224,539,232	15,145,807	(0)	(0)	15,145,807	50.000	742,145	44,529	786,673
2049			224,539,232	15,145,807	0	0	15,145,807	50.000	742,145	44,529	786,673
2050		13,472,354	238,011,586	16,054,555	0	0	16,054,555	50.000	786,673	47,200	833,874
2051			238,011,586	16,054,555	0	0	16,054,555	50.000	786,673	47,200	833,874
2052		14,280,695	252,292,281	17,017,828	0	0	17,017,828	50.000	833,874	50,032	883,906
2053			252,292,281	17,017,828	0	0	17,017,828	50.000	833,874	50,032	883,906
2054		15,137,537	267,429,818	18,038,898			18,038,898	50.000	883,906	53,034	936,940
2055			267,429,818	18,038,898			18,038,898	50.000	883,906	53,034	936,940
2056		16,045,789	283,475,607	19,121,232			19,121,232	50.000	936,940	56,216	993,157
2057			283,475,607	19,121,232			19,121,232	50.000	936,940	56,216	993,157
2058		17,008,536	300,484,144	20,268,506			20,268,506	50.000	993,157	59,589	1,052,746
2059			300,484,144	20,268,506			20,268,506	50.000	993,157	59,589	1,052,746
2060		18,029,049	318,513,192	21,484,616			21,484,616	50.000	1,052,746	63,165	1,115,911
		139	216,504,846						24,205,965	1,452,358	25,658,322

TRAILS METROPOLITAN DISTRICT

Development Projection at 50.000 (target) Mills for Debt Service -- 06/11/2019

Series 2030, G.O. Bonds, Assumes Inv. Grade, 1x @ Cap, 30-yr. Maturity, Refunding of Ser. 2020 -- Service Plan

YEAR	Net Available for Debt Svc	Ser. 2020 \$7,940,000 Par [Net \$5.613 MM] Net Debt Service	Ser. 2030 \$11,775,000 Par [Net \$4.809 MM] [Refg \$7.755 MM] Net Debt Service	Total Net Debt Service	Less Application of Funds On Hand	Annual Surplus	Surplus Release to \$1,177,500	Cumulative Surplus to \$1,177,500 Target	Senior Debt/ Assessed Ratio	Cov. of Net DS: @ 50.000 Target	Cov. of Net DS: @ 50.000 Cap
2018	0			0		0	0	0	n/a	0.0%	0.0%
2019	0			0		0	0	0	n/a	0.0%	0.0%
2020	0	\$0		0		0	0	0	2608%	0.0%	0.0%
2021	15,816	0		0		15,816	0	15,816	400%	0.0%	0.0%
2022	103,037	0		0		103,037	0	118,852	155%	0.0%	0.0%
2023	265,314	0		0		265,314	0	384,166	107%	0.0%	0.0%
2024	383,914	397,000		397,000		(13,086)	0	371,081	105%	96.7%	96.7%
2025	390,952	397,000		397,000		(6,048)	0	365,033	100%	98.5%	98.5%
2026	414,410	412,000		412,000		2,410	0	367,443	99%	100.6%	100.6%
2027	414,410	411,250		411,250		3,160	0	370,603	94%	100.8%	100.8%
2028	439,274	435,500		435,500		3,774	0	374,377	93%	100.9%	100.9%
2029	439,274	438,500		438,500		774	0	375,151	87%	100.2%	100.2%
2030	465,631	461,250	\$0	461,250	370,000	(365,619)	0	9,532	131%	100.9%	100.9%
2031	465,631	[refunded by Ser.'30]	471,000	471,000		(5,369)	0	4,162	124%	98.9%	98.9%
2032	493,568		491,000	491,000		2,568	0	6,731	124%	100.5%	100.5%
2033	493,568		490,200	490,200		3,368	0	10,099	117%	100.7%	100.7%
2034	523,183		519,400	519,400		3,783	0	13,882	116%	100.7%	100.7%
2035	523,183		522,400	522,400		783	0	14,665	109%	100.1%	100.1%
2036	554,574		550,200	550,200		4,374	0	19,038	108%	100.8%	100.8%
2037	554,574		551,800	551,800		2,774	0	21,812	101%	100.5%	100.5%
2038	587,848		583,200	583,200		4,648	0	26,460	100%	100.8%	100.8%
2039	587,848		583,200	583,200		4,648	0	31,108	93%	100.8%	100.8%
2040	623,119		618,000	618,000		5,119	0	36,227	92%	100.8%	100.8%
2041	623,119		621,200	621,200		1,919	0	38,145	85%	100.3%	100.3%
2042	660,506		659,000	659,000		1,506	0	39,651	84%	100.2%	100.2%
2043	660,506		660,000	660,000		506	0	40,157	77%	100.1%	100.1%
2044	700,136		695,600	695,600		4,536	0	44,694	75%	100.7%	100.7%
2045	700,136		699,400	699,400		736	0	45,430	69%	100.1%	100.1%
2046	742,145		737,600	737,600		4,545	0	49,975	66%	100.6%	100.6%
2047	742,145		738,800	738,800		3,345	0	53,319	60%	100.5%	100.5%
2048	786,673		784,400	784,400		2,273	0	55,592	57%	100.3%	100.3%
2049	786,673		782,600	782,600		4,073	0	59,666	51%	100.5%	100.5%
2050	833,874		830,200	830,200		3,674	0	63,339	48%	100.4%	100.4%
2051	833,874		830,200	830,200		3,674	0	67,013	43%	100.4%	100.4%
2052	883,906		879,400	879,400		4,506	0	71,519	39%	100.5%	100.5%
2053	883,906		880,800	880,800		3,106	0	74,625	33%	100.4%	100.4%
2054	936,940		936,200	936,200		740	0	75,365	30%	100.1%	100.1%
2055	936,940		933,400	933,400		3,540	0	78,905	24%	100.4%	100.4%
2056	993,157		989,600	989,600		3,557	0	82,462	20%	100.4%	100.4%
2057	993,157		992,400	992,400		757	0	83,219	15%	100.1%	100.1%
2058	1,052,746		1,048,800	1,048,800		3,946	0	87,165	10%	100.4%	100.4%
2059	1,052,746		1,051,600	1,051,600		1,146	0	88,311	5%	100.1%	100.1%
2060	1,115,911		1,112,800	1,112,800		3,111	91,422	0	0%	100.3%	100.3%
	25,658,322	2,952,500	22,244,400	25,196,900	370,000	91,422	91,422				

[EJun1119 20sp30E] [EJun1119 30lgsprE]

TRAILS METROPOLITAN DISTRICT

Development Projection -- Buildout Plan (updated 6/11/19)

YEAR	Residential Development					Residential Summary		Value of Platted & Developed Lots	
	# Lots Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed <i>SFDs</i> 139 target	Price Inflated @ 2%	Market Value	Total Residential Market Value	Total Res'l Units	Adjustment ¹	Adjusted Value
2017									0
2018	0	0						0	0
2019	15	1,050,000		\$700,000	0	\$0	0	0	1,050,000
2020	60	3,150,000	15	714,000	10,710,000	10,710,000	15	0	3,150,000
2021	60	0	60	728,280	43,696,800	43,696,800	60	0	0
2022	4	(3,920,000)	60	742,846	44,570,736	44,570,736	60	0	(3,920,000)
2023	0	(280,000)	4	757,703	3,030,810	3,030,810	4	0	(280,000)
2024	0	0	0	772,857	0	0	0	0	0
	<u>139</u>	<u>(0)</u>	<u>139</u>		<u>102,008,346</u>	<u>102,008,346</u>	<u>139</u>	<u>0</u>	<u>(0)</u>

[1] Adj. to actual/prelim AV; Incl Ag.

SOURCES AND USES OF FUNDS

**TRAILS METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2030
50.000 (target) Mills -- Service Plan
Non-Rated, 1x, 2060 Final Maturity
[Preliminary -- for discussion only]**

Dated Date 12/01/2030
Delivery Date 12/01/2030

Sources:

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Bond Proceeds:	
Par Amount	11,775,000.00
Other Sources of Funds:	
Funds on Hand*	370,000.00
Ser. 2020 DSRF	727,645.83
	1,097,645.83
	12,872,645.83

Uses:

<hr/>	
Project Fund Deposits:	
Project Fund	4,808,770.83
Refunding Escrow Deposits:	
Cash Deposit	7,755,000.00
Delivery Date Expenses:	
Cost of Issuance	250,000.00
Underwriter's Discount	58,875.00
	308,875.00
	12,872,645.83

[*] Estimated balances (tbd)

BOND SUMMARY STATISTICS

TRAILS METROPOLITAN DISTRICT GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2030 50.000 (target) Mills -- Service Plan Non-Rated, 1x, 2060 Final Maturity [Preliminary -- for discussion only]

Dated Date	12/01/2030
Delivery Date	12/01/2030
First Coupon	06/01/2031
Last Maturity	12/01/2060
Arbitrage Yield	4.000000%
True Interest Cost (TIC)	4.035157%
Net Interest Cost (NIC)	4.000000%
All-In TIC	4.187238%
Average Coupon	4.000000%
Average Life (years)	22.228
Weighted Average Maturity (years)	22.228
Duration of Issue (years)	14.531
Par Amount	11,775,000.00
Bond Proceeds	11,775,000.00
Total Interest	10,469,400.00
Net Interest	10,528,275.00
Bond Years from Dated Date	261,735,000.00
Bond Years from Delivery Date	261,735,000.00
Total Debt Service	22,244,400.00
Maximum Annual Debt Service	1,112,800.00
Average Annual Debt Service	741,480.00
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 2060	11,775,000.00	100.000	4.000%	22.228	02/21/2053	20,488.50
	11,775,000.00			22.228		20,488.50

	TIC	All-In TIC	Arbitrage Yield
Par Value	11,775,000.00	11,775,000.00	11,775,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-58,875.00	-58,875.00	
- Cost of Issuance Expense		-250,000.00	
- Other Amounts			
Target Value	11,716,125.00	11,466,125.00	11,775,000.00
Target Date	12/01/2030	12/01/2030	12/01/2030
Yield	4.035157%	4.187238%	4.000000%

BOND DEBT SERVICE

TRAILS METROPOLITAN DISTRICT GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2030 50.000 (target) Mills -- Service Plan Non-Rated, 1x, 2060 Final Maturity [Preliminary -- for discussion only]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2031			235,500	235,500	
12/01/2031			235,500	235,500	471,000
06/01/2032			235,500	235,500	
12/01/2032	20,000	4.000%	235,500	255,500	491,000
06/01/2033			235,100	235,100	
12/01/2033	20,000	4.000%	235,100	255,100	490,200
06/01/2034			234,700	234,700	
12/01/2034	50,000	4.000%	234,700	284,700	519,400
06/01/2035			233,700	233,700	
12/01/2035	55,000	4.000%	233,700	288,700	522,400
06/01/2036			232,600	232,600	
12/01/2036	85,000	4.000%	232,600	317,600	550,200
06/01/2037			230,900	230,900	
12/01/2037	90,000	4.000%	230,900	320,900	551,800
06/01/2038			229,100	229,100	
12/01/2038	125,000	4.000%	229,100	354,100	583,200
06/01/2039			226,600	226,600	
12/01/2039	130,000	4.000%	226,600	356,600	583,200
06/01/2040			224,000	224,000	
12/01/2040	170,000	4.000%	224,000	394,000	618,000
06/01/2041			220,600	220,600	
12/01/2041	180,000	4.000%	220,600	400,600	621,200
06/01/2042			217,000	217,000	
12/01/2042	225,000	4.000%	217,000	442,000	659,000
06/01/2043			212,500	212,500	
12/01/2043	235,000	4.000%	212,500	447,500	660,000
06/01/2044			207,800	207,800	
12/01/2044	280,000	4.000%	207,800	487,800	695,600
06/01/2045			202,200	202,200	
12/01/2045	295,000	4.000%	202,200	497,200	699,400
06/01/2046			196,300	196,300	
12/01/2046	345,000	4.000%	196,300	541,300	737,600
06/01/2047			189,400	189,400	
12/01/2047	360,000	4.000%	189,400	549,400	738,800
06/01/2048			182,200	182,200	
12/01/2048	420,000	4.000%	182,200	602,200	784,400
06/01/2049			173,800	173,800	
12/01/2049	435,000	4.000%	173,800	608,800	782,600
06/01/2050			165,100	165,100	
12/01/2050	500,000	4.000%	165,100	665,100	830,200
06/01/2051			155,100	155,100	
12/01/2051	520,000	4.000%	155,100	675,100	830,200
06/01/2052			144,700	144,700	
12/01/2052	590,000	4.000%	144,700	734,700	879,400
06/01/2053			132,900	132,900	
12/01/2053	615,000	4.000%	132,900	747,900	880,800
06/01/2054			120,600	120,600	
12/01/2054	695,000	4.000%	120,600	815,600	936,200
06/01/2055			106,700	106,700	
12/01/2055	720,000	4.000%	106,700	826,700	933,400
06/01/2056			92,300	92,300	
12/01/2056	805,000	4.000%	92,300	897,300	989,600
06/01/2057			76,200	76,200	
12/01/2057	840,000	4.000%	76,200	916,200	992,400
06/01/2058			59,400	59,400	
12/01/2058	930,000	4.000%	59,400	989,400	1,048,800
06/01/2059			40,800	40,800	
12/01/2059	970,000	4.000%	40,800	1,010,800	1,051,600
06/01/2060			21,400	21,400	
12/01/2060	1,070,000	4.000%	21,400	1,091,400	1,112,800
	11,775,000		10,469,400	22,244,400	22,244,400

NET DEBT SERVICE

**TRAILS METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2030
50.000 (target) Mills -- Service Plan
Non-Rated, 1x, 2060 Final Maturity
[Preliminary -- for discussion only]**

Period Ending	Principal	Interest	Total Debt Service	Net Debt Service
12/01/2031		471,000	471,000	471,000
12/01/2032	20,000	471,000	491,000	491,000
12/01/2033	20,000	470,200	490,200	490,200
12/01/2034	50,000	469,400	519,400	519,400
12/01/2035	55,000	467,400	522,400	522,400
12/01/2036	85,000	465,200	550,200	550,200
12/01/2037	90,000	461,800	551,800	551,800
12/01/2038	125,000	458,200	583,200	583,200
12/01/2039	130,000	453,200	583,200	583,200
12/01/2040	170,000	448,000	618,000	618,000
12/01/2041	180,000	441,200	621,200	621,200
12/01/2042	225,000	434,000	659,000	659,000
12/01/2043	235,000	425,000	660,000	660,000
12/01/2044	280,000	415,600	695,600	695,600
12/01/2045	295,000	404,400	699,400	699,400
12/01/2046	345,000	392,600	737,600	737,600
12/01/2047	360,000	378,800	738,800	738,800
12/01/2048	420,000	364,400	784,400	784,400
12/01/2049	435,000	347,600	782,600	782,600
12/01/2050	500,000	330,200	830,200	830,200
12/01/2051	520,000	310,200	830,200	830,200
12/01/2052	590,000	289,400	879,400	879,400
12/01/2053	615,000	265,800	880,800	880,800
12/01/2054	695,000	241,200	936,200	936,200
12/01/2055	720,000	213,400	933,400	933,400
12/01/2056	805,000	184,600	989,600	989,600
12/01/2057	840,000	152,400	992,400	992,400
12/01/2058	930,000	118,800	1,048,800	1,048,800
12/01/2059	970,000	81,600	1,051,600	1,051,600
12/01/2060	1,070,000	42,800	1,112,800	1,112,800
	11,775,000	10,469,400	22,244,400	22,244,400

BOND SOLUTION

**TRAILS METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2030
50.000 (target) Mills -- Service Plan
Non-Rated, 1x, 2060 Final Maturity
[Preliminary -- for discussion only]**

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2031		471,000	471,000	465,631	-5,369	98.86001%
12/01/2032	20,000	491,000	491,000	493,569	2,569	100.52312%
12/01/2033	20,000	490,200	490,200	493,569	3,369	100.68717%
12/01/2034	50,000	519,400	519,400	523,183	3,783	100.72827%
12/01/2035	55,000	522,400	522,400	523,183	783	100.14981%
12/01/2036	85,000	550,200	550,200	554,574	4,374	100.79490%
12/01/2037	90,000	551,800	551,800	554,574	2,774	100.50264%
12/01/2038	125,000	583,200	583,200	587,848	4,648	100.79698%
12/01/2039	130,000	583,200	583,200	587,848	4,648	100.79698%
12/01/2040	170,000	618,000	618,000	623,119	5,119	100.82829%
12/01/2041	180,000	621,200	621,200	623,119	1,919	100.30890%
12/01/2042	225,000	659,000	659,000	660,506	1,506	100.22853%
12/01/2043	235,000	660,000	660,000	660,506	506	100.07667%
12/01/2044	280,000	695,600	695,600	700,136	4,536	100.65215%
12/01/2045	295,000	699,400	699,400	700,136	736	100.10528%
12/01/2046	345,000	737,600	737,600	742,145	4,545	100.61612%
12/01/2047	360,000	738,800	738,800	742,145	3,345	100.45270%
12/01/2048	420,000	784,400	784,400	786,673	2,273	100.28980%
12/01/2049	435,000	782,600	782,600	786,673	4,073	100.52047%
12/01/2050	500,000	830,200	830,200	833,874	3,674	100.44249%
12/01/2051	520,000	830,200	830,200	833,874	3,674	100.44249%
12/01/2052	590,000	879,400	879,400	883,906	4,506	100.51240%
12/01/2053	615,000	880,800	880,800	883,906	3,106	100.35264%
12/01/2054	695,000	936,200	936,200	936,940	740	100.07908%
12/01/2055	720,000	933,400	933,400	936,940	3,540	100.37930%
12/01/2056	805,000	989,600	989,600	993,157	3,557	100.35942%
12/01/2057	840,000	992,400	992,400	993,157	757	100.07626%
12/01/2058	930,000	1,048,800	1,048,800	1,052,746	3,946	100.37626%
12/01/2059	970,000	1,051,600	1,051,600	1,052,746	1,146	100.10900%
12/01/2060	1,070,000	1,112,800	1,112,800	1,115,911	3,111	100.27956%
	11,775,000	22,244,400	22,244,400	22,326,291	81,891	

SUMMARY OF BONDS REFUNDED

**TRAILS METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2030
50.000 (target) Mills -- Service Plan
Non-Rated, 1x, 2060 Final Maturity
[Preliminary -- for discussion only]**

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
6/11/19: Ser 20 SP LF, 5.00%, 1x, 50mls @ 7.15% RAR, 6% BiRe (new format):					
TERM50	12/01/2031	5.000%	75,000.00	12/01/2030	100.000
	12/01/2032	5.000%	105,000.00	12/01/2030	100.000
	12/01/2033	5.000%	110,000.00	12/01/2030	100.000
	12/01/2034	5.000%	145,000.00	12/01/2030	100.000
	12/01/2035	5.000%	155,000.00	12/01/2030	100.000
	12/01/2036	5.000%	195,000.00	12/01/2030	100.000
	12/01/2037	5.000%	205,000.00	12/01/2030	100.000
	12/01/2038	5.000%	245,000.00	12/01/2030	100.000
	12/01/2039	5.000%	260,000.00	12/01/2030	100.000
	12/01/2040	5.000%	310,000.00	12/01/2030	100.000
	12/01/2041	5.000%	325,000.00	12/01/2030	100.000
	12/01/2042	5.000%	375,000.00	12/01/2030	100.000
	12/01/2043	5.000%	395,000.00	12/01/2030	100.000
	12/01/2044	5.000%	455,000.00	12/01/2030	100.000
	12/01/2045	5.000%	480,000.00	12/01/2030	100.000
	12/01/2046	5.000%	545,000.00	12/01/2030	100.000
	12/01/2047	5.000%	570,000.00	12/01/2030	100.000
	12/01/2048	5.000%	645,000.00	12/01/2030	100.000
	12/01/2049	5.000%	675,000.00	12/01/2030	100.000
	12/01/2050	5.000%	1,485,000.00	12/01/2030	100.000
			7,755,000.00		

ESCROW REQUIREMENTS

**TRAILS METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2030
50.000 (target) Mills -- Service Plan
Non-Rated, 1x, 2060 Final Maturity
[Preliminary -- for discussion only]**

Dated Date 12/01/2030
Delivery Date 12/01/2030

Period Ending	Principal Redeemed	Total
12/01/2030	7,755,000.00	7,755,000.00
	7,755,000.00	7,755,000.00

PRIOR BOND DEBT SERVICE

**TRAILS METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2030
50.000 (target) Mills -- Service Plan
Non-Rated, 1x, 2060 Final Maturity
[Preliminary -- for discussion only]**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2031			193,875	193,875	
12/01/2031	75,000	5.000%	193,875	268,875	462,750
06/01/2032			192,000	192,000	
12/01/2032	105,000	5.000%	192,000	297,000	489,000
06/01/2033			189,375	189,375	
12/01/2033	110,000	5.000%	189,375	299,375	488,750
06/01/2034			186,625	186,625	
12/01/2034	145,000	5.000%	186,625	331,625	518,250
06/01/2035			183,000	183,000	
12/01/2035	155,000	5.000%	183,000	338,000	521,000
06/01/2036			179,125	179,125	
12/01/2036	195,000	5.000%	179,125	374,125	553,250
06/01/2037			174,250	174,250	
12/01/2037	205,000	5.000%	174,250	379,250	553,500
06/01/2038			169,125	169,125	
12/01/2038	245,000	5.000%	169,125	414,125	583,250
06/01/2039			163,000	163,000	
12/01/2039	260,000	5.000%	163,000	423,000	586,000
06/01/2040			156,500	156,500	
12/01/2040	310,000	5.000%	156,500	466,500	623,000
06/01/2041			148,750	148,750	
12/01/2041	325,000	5.000%	148,750	473,750	622,500
06/01/2042			140,625	140,625	
12/01/2042	375,000	5.000%	140,625	515,625	656,250
06/01/2043			131,250	131,250	
12/01/2043	395,000	5.000%	131,250	526,250	657,500
06/01/2044			121,375	121,375	
12/01/2044	455,000	5.000%	121,375	576,375	697,750
06/01/2045			110,000	110,000	
12/01/2045	480,000	5.000%	110,000	590,000	700,000
06/01/2046			98,000	98,000	
12/01/2046	545,000	5.000%	98,000	643,000	741,000
06/01/2047			84,375	84,375	
12/01/2047	570,000	5.000%	84,375	654,375	738,750
06/01/2048			70,125	70,125	
12/01/2048	645,000	5.000%	70,125	715,125	785,250
06/01/2049			54,000	54,000	
12/01/2049	675,000	5.000%	54,000	729,000	783,000
06/01/2050			37,125	37,125	
12/01/2050	1,485,000	5.000%	37,125	1,522,125	1,559,250
	7,755,000		5,565,000	13,320,000	13,320,000

Exhibit G
Resolution of Approval

RESOLUTION NO. R-019- _____

**THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO**

**A RESOLUTION APPROVING THE SERVICE PLAN OF
TRAILS METROPOLITAN DISTRICT**

WHEREAS, on _____, a service plan for the proposed **Trails Metropolitan District** (“Service Plan”) was filed with the Douglas County Clerk and Recorder (“Clerk”), and the Clerk, on behalf of the Board of County Commissioners (“Board”), mailed a Notice of Filing of Special District Service Plan to the Division of Local Government in the Department of Local Affairs on _____; and

WHEREAS, on _____, the Douglas County Planning Commission recommended approval of the Service Plan to the Board; and

WHEREAS, on _____, the Board set a public hearing on the Service Plan for _____ (“Public Hearing”), and (1) ratified publication of the notice of the date, time, location and purpose of such Public Hearing, which was published in *The Douglas County News-Press* on _____; and (2) caused notice of the date, time and location of the Public Hearing to be mailed on _____, to the governing body of the existing municipalities and special districts which have levied an *ad valorem* tax within the next preceding tax year and which have boundaries within a radius of three miles of the proposed boundaries of Trails Metropolitan District (“District”) and, on _____, to the petitioners and to the property owners, pursuant to the provisions of § 32-1-204(1.5), C.R.S.; and

WHEREAS, on _____, a Public Hearing on the Service Plan was opened at which time all interested parties, as defined in § 32-1-204, C.R.S., were afforded an opportunity to be heard, and all testimony and evidence relevant to the Service Plan and the organization of the proposed District was heard, received and considered.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS, STATE OF COLORADO, THAT:

Section 1. The Board does hereby determine that all procedural requirements of §§ 32-1-201, *et seq.*, C.R.S., relating to the Service Plan have been fulfilled and that the Board has jurisdiction in the matter.

Section 2. The Board does hereby find:

(a) that there is sufficient existing and projected need for organized service in the area to be serviced by the proposed District; and

(b) that the existing service in the area to be served by the proposed District is inadequate for present and projected needs; and

(c) that the proposed District is capable of providing economical and sufficient service to the area within the proposed boundaries; and

(d) that the area to be included in the proposed District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis; and

(e) that adequate service is not, or will not be, available to the area through Douglas County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis; and

(f) that the facility and service standards of the proposed District are compatible with the facility and service standards of Douglas County and each municipality which is an interested party under § 32-1-204, C.R.S.; and

(g) that the proposal is in substantial compliance with the Douglas County Comprehensive Master Plan; and

(h) that the proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area; and

(i) that the creation of the proposed District will be in the best interests of the area proposed to be served; and

(j) that the Service Plan, based upon the statements set forth in the Service Plan and upon all evidence presented at the Public Hearing on the Service Plan, meets all conditions and requirements of §§ 32-1-201, *et seq.*, C.R.S.

Section 3. The Board hereby approves the Service Plan without conditions; provided, however, that such action shall not imply the approval of any land development activity within the proposed District or its service area, or of any specific number of buildable units identified in the Service Plan, unless the Board has approved such development activity as part of a separate development review process.

Section 4. The legal description of the District shall be as provided in **Exhibit A**, attached hereto and incorporated herein by reference.

Section 5. A certified copy of this resolution shall be filed in the records of Douglas County.

PASSED AND ADOPTED this ___ day of _____, 20___, in Castle Rock, Douglas County, Colorado.

THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO

BY: _____
 , Chair

ATTEST:

Deputy Clerk

EXHIBIT A
(Legal Description)

A PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 5,
TOWNSHIP 6 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN,
COUNTY OF DOUGLAS, STATE OF COLORADO AND BEING MORE
PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS:

BEARINGS ARE BASED ON THE EAST LINE OF THE NORTHEAST QUARTER
OF SAID SECTION 5, ASSUMED TO BEAR SOUTH 00°17'37" EAST, A
DISTANCE OF 2875.73 FEET BETWEEN THE FOLLOWING DESCRIBED
MONUMENTS:

- NORTHEAST CORNER OF SECTION 5 FOUND 3.25 ALUMINUM CAP PLS
38098 MATCHING MONUMENT RECORD AS FILED.

- EAST QUARTER CORNER OF SECTION 5 FOUND 3.25 ALUMINUM CAP PLS
17666 MATCHING MONUMENT RECORD AS FILED.

COMMENCING AT SAID EAST QUARTER CORNER;

THENCE NORTH 89°23'40" WEST, A DISTANCE OF 40.00 FEET TO THE
NORTHEAST CORNER OF HIDDEN PINES FILING 1, RECEPTION NO.
2015070148 AND THE POINT OF BEGINNING;

THENCE NORTH 89°23'40" WEST, ALONG THE NORTHERLY LINE OF SAID
HIDDEN PINES FILING 1, A DISTANCE OF 2,622.69 FEET TO THE CENTER
QUARTER CORNER OF SAID SECTION 5;

THENCE NORTH 89°15'04" WEST, ALONG THE NORTH LINE OF RECEPTION
NUMBER 02057841, A DISTANCE OF 667.03 FEET TO A NUMBER 3 REBAR;

THENCE NORTH 89°14'20" WEST, ALONG THE NORTH LINE OF RECEPTION
NUMBER 2017080419, A DISTANCE OF 667.44 FEET TO A NUMBER 3 REBAR;

THENCE NORTH 89°20'35" WEST, A DISTANCE OF 759.67 FEET TO THE
SOUTHEAST CORNER OF LIVENGOOD HILLS, RECEPTION NO. 122187 AS
MONUMENTED WITH A REBAR AND ILLEGIBLE 1" YELLOW PLASTIC CAP;

THENCE ALONG THE EASTERLY LINE OF SAID LIVENGOOD HILLS THE
FOLLOWING EIGHT (8) COURSES AND DISTANCES;

1. NORTH 01°02'19" WEST, A DISTANCE OF 786.32 FEET TO A NUMBER 3
REBAR;

2. NORTH 01°00'17" WEST, A DISTANCE OF 260.0 FEET TO A NUMBER 3
REBAR;

3. NORTH 00°45'18" WEST, A DISTANCE OF 284.85 FEET TO A NUMBER 3
REBAR;

4. NORTH 00°57'03" WEST, A DISTANCE OF 349.45 FEET TO A NUMBER 3
REBAR;

5. NORTH 00°52'40" WEST, A DISTANCE OF 298.91 FEET TO A NUMBER 3
REBAR;

6. NORTH 00°53'11" WEST, A DISTANCE OF 359.79 FEET TO A NUMBER 3
REBAR;

7. NORTH 00°50'34" WEST, A DISTANCE OF 274.87 FEET TO A NUMBER 3
REBAR;

8. NORTH 01°29'58" WEST, A DISTANCE OF 162.62 FEET TO A REBAR AND ILLEGIBLE 1" YELLOW PLASTIC CAP ;
 THENCE NORTH 89°24'25" EAST, A DISTANCE OF 953.09 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF SOUTH SAMPSON GULCH WAY;
 THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING NINE (9) COURSES AND DISTANCES;

1. THENCE SOUTH 32°45'44" EAST, A DISTANCE OF 47.25 FEET;
2. THENCE NORTH 89°24'25" EAST, A DISTANCE OF 68.30 FEET;
3. THENCE ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 762.00 FEET, A CENTRAL ANGLE OF 39°02'44", WHOSE CHORD BEARS SOUTH 70°58'12" EAST A DISTANCE OF 509.29 FEET, FOR AN ARC DISTANCE OF 519.28 FEET;
4. THENCE NORTH 89°30'27" EAST, A DISTANCE OF 2,314.30 FEET;
5. THENCE ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 8,037.00 FEET, A CENTRAL ANGLE OF 04°34'07", WHOSE CHORD BEARS NORTH 87°13'23" EAST A DISTANCE OF 640.68 FEET, FOR AN ARC DISTANCE OF 640.85 FEET;
6. THENCE NORTH 84°56'19" EAST, A DISTANCE OF 106.12 FEET;
7. THENCE NORTH 89°30'46" EAST, A DISTANCE OF 37.62 FEET;
8. THENCE NORTH 85°00'55" EAST, A DISTANCE OF 88.65 FEET;
9. THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 18.00 FEET, A CENTRAL ANGLE OF 94°41'31", WHOSE CHORD BEARS SOUTH 47°38'19" EAST A DISTANCE OF 26.48 FEET, FOR AN ARC DISTANCE OF 29.75 FEET TO THE WESTERLY RIGHT-OF-WAY OF NORTH PINEY LAKE ROAD;
 THENCE ALONG SAID RIGHT-OF-WAY THE FOLLOWING FIVE (5) COURSES AND DISTANCES;

1. THENCE SOUTH 00°17'34" EAST, A DISTANCE OF 42.22 FEET;
2. THENCE NORTH 89°42'26" EAST, A DISTANCE OF 25.86 FEET;
3. THENCE SOUTH 00°17'37" EAST, A DISTANCE OF 300.53 FEET;
4. THENCE SOUTH 00°41'23" WEST, A DISTANCE OF 582.71 FEET;
5. THENCE SOUTH 00°17'37" EAST, A DISTANCE OF 1,759.86 FEET TO THE POINT OF BEGINNING.

CONTAINING 12,640,269 SQUARE FEET OR 290.180 ACRES, MORE OR LESS

NOTE: SURVEY BOUNDARY DESCRIPTION IS BEING PROVIDED TO COMBINE BOTH PARCELS INTO ONE DESCRIPTION AND TO REMOVE THE EXCEPTION PARCELS IN PREPARATION OF A SUBDIVISION PLAT.

Exhibit H
Compliance with Section 18A, Water Supply – Overlay District

No water service will be provided by the District. Therefore, compliance with Section 18A, Water Supply - Overlay District is not required at this time. The City of Aurora will provide water service as demonstrated in the agreement in Exhibit K.

WATER AND SEWER SERVICE AGREEMENT

This Water and Sewer Service Agreement (“**Agreement**”) is entered into to be effective as of DECEMBER 18, 2018 (the “**Effective Date**”), by and between **CITY OF AURORA, COLORADO**, a home rule municipal corporation, acting by and through its utility enterprise (“**City/Aurora Water**”), and **TRAILS, LLC**, a Colorado limited liability company (“**Trails**”).

RECITALS

- A. Capitalized terms used in this Agreement shall have the meanings set forth or as referenced on **Exhibit A** or as indicated elsewhere in this Agreement.
- B. City has the capacity to provide water and sewer service to customers outside the limits of the City, including the real property located in the County of Douglas, State of Colorado, as more specifically described on **Exhibit B** attached hereto (the “**Property**”). The City has the sole and exclusive authority to contract to furnish service outside the City limits pursuant to Section 138-223 of the city Code of the City of Aurora, Colorado.
- C. Trails has investigated matters relating to the long-term provision of water and sewer services to Trails Customers and has determined that the terms and provisions of this Agreement provide an economical, dependable and beneficial means to provide such services.
- D. City and Trails have determined that the execution and performance of this Agreement will serve a public purpose and promote the health, safety and general welfare of Trails Customers by providing for the planned and orderly provision of water and sewer service.

AGREEMENT

In consideration of the foregoing, the covenants and agreements set forth herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 CONDITIONS PRECEDENT

- 1.1 **Condition Precedent.** The obligations of Trails to complete the transactions contemplated by this Agreement are subject to the successful subdivision and zoning of the Property with the County of Douglas, Colorado, and the acquisition by Trails of the Property.
- 1.2 **Termination.** This Agreement may be terminated at any time prior to the Conveyance Date (as defined below):
 - (a) by mutual written consent of the parties;
 - (b) by Trails for any failure of the conditions outlined in Section 1.1 above.
 - (c) by either party if the Conveyance Date shall not have occurred on or before

- (d) December 31, 2021; provided, however, that the right to terminate this Agreement under this Section 1.2(c) shall not be available to any party whose breach of any obligation under this Agreement has been the cause of, or resulted in, the failure of the Conveyance Date to occur on or before such date; or
- (e) by either party if a court of competent jurisdiction or other governmental authority shall have issued an order, decree or ruling or taken any other action (which order, decree or ruling each of the parties hereto shall use all reasonable efforts to lift), in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, and such order, decree, ruling or other action shall have become final and non-appealable.

1.3 Effect of Termination. Upon the termination of this Agreement pursuant to Section 1.2, this Agreement shall forthwith become null and void without any liability or obligation on the part of any party, except to the extent that such termination results from the breach by a party of any of its representations, warranties, covenants or agreements set forth in this Agreement.

ARTICLE 2

CONVEYANCE

- 2.1 Exclusive Service.** City shall have the sole and exclusive right to furnish water and sewer services to the Property that shall contain a maximum of 139 residential single family units. City covenants and agrees to provide water and sewer services to the Property.
- 2.2 Conveyance of Water Rights.** On or about the date of the satisfaction of conditions outlined in Section 1.1 above (the “**Conveyance Date**”), Trails shall convey the Water Rights, if any, to City by special warranty, which such Water Rights shall consist of approximately 373 acre feet from the Denver Basin (12.7 acre feet of not non-tributary water and 359 acre feet of non-tributary water) . Trails agree that it will no longer own or control the Property’s groundwater.
- 2.3 Conveyance and Use of Water and Sewer System, Easements and Property Interests.** Following the Conveyance Date, Trails will construct (or caused to be constructed) and convey to City the Water and Sewer System for the purposes of and pursuant to the provisions of this Agreement, as well as dedicated utility easements, rights-of-way or other property interests held or owned by Trails, or hereafter acquired by Trails, as are required to accommodate City’s operation and maintenance of the Water and Sewer System. Easement requirements will be consistent with Aurora Water’s existing specifications and template agreements, as reasonably negotiated by Aurora Water and Trails. Trails shall reasonably cooperate with City to enable City to obtain such additional easements, rights-of-way or other property interests reasonably required to enable City to perform its obligations under this Agreement, including, without limitation, real property for water and sewer infrastructure. If City recommends or Trails requires that the location of any easements, rights-of-way or other property interests be adjusted, the parties agree to cooperatively work together on relocating easements (and any water facilities that may exist therein or that may be affected by the relocation).

- 2.4 **Limitations.** City acknowledges that, unless expressly agreed to by Trails in writing, the Water and Sewer System, the rights-of-way and any other rights of Trails with respect to the Water and Sewer System shall not be used for any business or other purpose except as permitted by this Agreement.

ARTICLE 3
WATER SOURCES

Trails, upon satisfaction of the conditions in Section 1.1, will own the water rights, as more specifically described on **Exhibit C** attached hereto, if any (the “**Water Rights**”). As set forth in Section 2.2, Trails shall convey ownership of the Water Rights to City.

ARTICLE 4
OWNERSHIP, OPERATION, AND MAINTENANCE OF FACILITIES

4.1 **Facilities and Ownership.**

- (a) **Trails Facilities.** Trails will plan, design and construct the Water and Sewer System in accordance with the City’s specifications and requirements. Once the Water and Sewer System has been fully constructed by Trails, inspected by and deemed initially acceptable by the City, the Water and Sewer System will be subject to a one year warranty. One year after initial acceptance, the Water and Sewer System will undergo a final inspection. All corrective actions must be addressed before Water and Sewer System will be finally accepted. Upon final acceptance, Trails will convey to City upon completion of the build-out of the facilities comprising the Water and Sewer System, as more specifically described on **Exhibit D** attached hereto, which Water and Sewer System will allow for City to provide water and sewer services to the Trails Customers. Upon conveyance, Trails shall transfer to City (i) ownership of and (ii) sole responsibility for financing and constructing all Facilities that now exist or may be constructed in the future to provide sewer and potable water service to Trails Customers. City and Trails hereby agree that there will be 139 total taps to be serviced by the Water and Sewer System upon build-out.
- (b) **Customer Facilities.** “**Customer Facilities**” means service pipelines, plumbing and related appurtenances necessary and appropriate to deliver potable water service and sewer service from the point of connection from the Water and Sewer System. Customer Facilities are privately owned, operated and maintained and not the obligation of the City.

4.2 **Service Commitment.** From and after the Conveyance Date and subject to the terms of this Agreement, City shall provide water and sewer services to Trails Customers using the Water and Sewer System.

4.3 **City Obligations.** City shall operate and maintain the Water and Sewer System in compliance with all applicable laws and regulations and consistent with prudent water and sewer service City practices.

- (a) **Duties.** City shall employ or contract with such engineers and/or qualified operators as it deems appropriate to perform the duties of operating the Water and

Sewer System, including providing monthly billing to Trails Customers, collection efforts and enforcement of the City Rules and Regulations.

- (b) Control of Service. Subject to the terms of this Agreement, City shall have the responsibility for and control over the details and means for providing the services hereunder.
- (c) Authorizations. City shall, at its own expense, apply for and obtain all necessary permits, licenses, and other authorizations that may be required by any governmental authority for City to operate and maintain the Water and Sewer System in accordance with the terms of this Agreement. Trails shall cooperate with and provide such reasonable assistance to City as City may request in obtaining such authorizations.

4.4 Trails Obligations.

- (a) Construction. Trails will construct the Water and Sewer System in substantial compliance with all applicable laws and regulations and in accordance with City Specifications and requirements. The water and wastewater infrastructure will be inspected by City of Aurora inspectors and will not be accepted for service until it meets the City of Aurora standards and passes applicable tests.
- (b) Contractors. To the extent Trails engages contractors, it shall require such contractors to maintain bonds and insurance, including workers' compensation insurance, in compliance with applicable laws and regulations.
- (c) Authorizations. Trails shall, at its own expense, apply for and obtain all necessary permits, licenses and other authorizations that may be required by any governmental authority with respect to the construction of the Water and Sewer System. City shall cooperate with and provide such reasonable assistance to Trails for permits under direct control of the City as Trails may request in obtaining such authorizations. Permit timing will be in accordance with standard City practices.
- (d) Plan Access. Trails shall design the Water and Sewer System in accordance with the City's specifications and submit the plans into the City's regular plan review process. Final approved drawings will be submitted to the City along with the digital version that follows the City's CAD submittal standards.
- (e) Warranty and Claims Enforcement. Trails shall timely submit and pursue any warranty, insurance, damage or other claims Trails has against a third party with respect to the Water Rights and/or Water and Sewer System.
- (f) Facility Locations. Trails will provide or make available to City copies of all "as-built" drawings for the Water and Sewer System.
- (g) Condition of Water and Sewer System. After initial acceptance, except for warranty related items (which shall remain the responsibility of Trails), City shall be solely responsible for any and all losses, liabilities, damages, costs, and claims of any and every kind whatsoever related to the existence and condition of the Water and Sewer System.

- (h) Operational. The street widths will provide a similar operational working room for maintenance of the pipelines as are provided by Aurora Water. Aurora Water will only be responsible for “patch back repairs.” The parties agree that Aurora Water will not be responsible for any milling outside of the excavation area.
- (i) Dedication of Land by Trails. Trails shall dedicate land and all necessary easements necessary for access, to the City sufficient for infrastructure including communication facilities for Aurora Water’s operations. The fee simple land conveyance shall be a least 75 feet by 75 feet and at, to the extent reasonably available taking into consideration site conditions and the overall development, the highest elevation and shall be reasonably approved by Aurora Water and Trails. The land area dedicated to Aurora Water shall be posted with signage stating, “future service infrastructure area” and Trails shall have Aurora Water approve the sign before posting.

ARTICLE 5
BILLING AND RATES, FEES AND CHARGES

- 5.1 **Rates, Fees and Charges**. City shall assess all “Rates, Fees and Charges” for the use and maintenance of the Water and Sewer System at 150% of the Rates, Fees and Charges City charges to City’s customers within the limits of City in accordance with the City Code, Rules and Regulations.
- 5.2 **Connection Fees**. Trails will be responsible for paying all applicable water and sewer connection fees as required by City Code.
- 5.3 **Billing**.
 - (a) City shall read the meters and bill Trails Customers for water and sewer services provided hereunder, including all consumption and other Rates, Fees and Charges.
 - (b) City shall be responsible for collection efforts on delinquent accounts.

ARTICLE 6
EXISTING AGREEMENTS

Trails represents and warrants to City that Trails is not a party to any existing agreements regarding the provision of water, sewer and/or the collection of rates, fees, or charges related to same. Any loss, cost, expense or damage suffered or incurred by City based on or arising from the inaccuracy of such representation and warranty, including but not limited to loss of revenues by City, shall be the responsibility of Trails and shall be payable to City on demand and such payment shall accrue interest at the statutory rate of interest as provided in C.R.S. § 13-21-101(3) until paid in full.

ARTICLE 7
RULES AND REGULATIONS

- 7.1 **Enforcement**. City shall enforce compliance with the City Rules and Regulations to the extent necessary to comply with the terms of this Agreement.

- 7.2 **Supersession.** If and to the extent there is any inconsistency between the terms, covenants or provisions hereof and the City Rules and Regulations, the terms, covenants and provisions of this Agreement shall supersede and be controlling unless otherwise mutually agreed upon in writing by the parties.

ARTICLE 8
EVENTS OF DEFAULT; REMEDIES

- 8.1 **Events of Default.** The occurrence or existence of any one or more of the following events shall be an “Event of Default” under this Agreement, and there shall be no Event of Default hereunder except as follows:

- (a) **Untrue Representations.** Any representation or warranty made by any party in this Agreement proves to have been untrue or incomplete in any material respect when made and such untruth or incompleteness would have a materially adverse effect upon the other party;
- (b) **Failure to Perform.** Any party fails in the performance of any other of its covenants in this Agreement and such failure continues for 30 days after written notice specifying such default is given by the non-defaulting party; provided, however, if the default is of a type which cannot be cured within such 30 day period, the cure period shall be extended by the non-defaulting party if the defaulting party has commenced to cure the default within 30 days and at all times thereafter actively and diligently continues to pursue the cure;
- (c) **Insolvency or Dissolution.** Proceedings under any bankruptcy law or insolvency act or for the dissolution of a party shall be instituted by or against a party, or a receiver or trustee shall be appointed for all or substantially all of the property of a party, and such proceeding shall not be dismissed or such receivership or trusteeship vacated within 60 days after such institution or appointment; provided, however, that if a party seeks to dissolve pursuant to C.R.S. § 32-1-701, *et seq.*, as amended and (i) it notifies the other party in writing concurrently with filing the application for dissolution, and (ii) the plan for dissolution shall include provisions for continuation of this Agreement with a responsible party acceptable to the other party being substituted as a party to this Agreement, and such substituted party assumes all obligations and rights of the dissolving party hereunder, then such dissolution shall not be a default.

- 8.2 **Remedies for Events of Default.**

- (a) **Enforcement Rights.** Upon the occurrence of an Event of Default, the non-defaulting party may proceed to protect and enforce its rights against the party causing the Event of Default by mandamus or such other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for damages or specific performance, or by self-help. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys’ fees and costs.

- (b) **Limited Termination Rights.** Upon the occurrence of an Event of Default, and after the non-defaulting party proceeds in accordance with Section 8.2(a), the non-defaulting party shall be permitted to terminate this Agreement only upon 60 days advance written notice to the defaulting party and only if: (i) monetary damages are not paid by the defaulting party when due or (ii) the defaulting party refuses to perform its obligations hereunder.

ARTICLE 9
TERMINATION

- 9.1 **Termination.** Except as provided in Section 8.2(b) and Section 1.2, this Agreement shall remain in force unless terminated by mutual written agreement of the parties.
- 9.2 **Compliance with Regulations.** The parties understand and agree that compliance with all applicable federal, state and local regulations must take place at all times. In the event of any termination of this Agreement, with or without cause, the parties shall cooperate to ensure that there is no gap or break in the compliance with all applicable regulations in the provision of service to Trails Customers during the transition of service.

ARTICLE 10
INDEMNIFICATION

- 10.1 **Indemnity by Trails.** To the extent authorized by law, Trails agrees to indemnify City from and against any loss, cost liability or expense (including reasonable attorneys' fees) reasonably incurred by City, including without limitation, both third-party and direct claims, arising out of or related to the negligent acts or omissions of Trails, its officers, directors, employees, agents and consultants in the course of performing Trails' obligations under this Agreement.
- 10.2 **Exclusions and Acknowledgement.** Notwithstanding the foregoing or any other indemnification provision in this Agreement, no party shall have a duty under this Agreement to indemnify and/or hold another party harmless from or against any loss, cost, liability or expense to the extent caused or contributed by the act or failure to act of the other party (including its officers, directors, employees, agents and consultants). Further, the parties hereto understand and acknowledge that Colorado law does not currently enforce indemnity clauses entered into by Colorado local governments in contracts.

ARTICLE 11
MODIFICATION OR AMENDMENT

- 11.1 **Material Change in Regulatory Conditions.** In the event any state, federal or local entity shall materially change any regulatory conditions applicable to the provision of water and sewer service under this Agreement, the parties agree that they shall expeditiously work together in good faith to modify or amend this Agreement as necessary to comply, in a commercially reasonable manner, with the changed regulations without otherwise materially changing the terms and conditions of this Agreement.

- 11.2 **Other Modifications or Amendments.** This Agreement shall not be modified or amended without the consent of both parties. No modification or amendment shall be effective unless in writing, executed by all parties.

ARTICLE 12
MISCELLANEOUS PROVISIONS

- 12.1 **Relationship of the Parties.** Nothing contained in this Agreement creates a joint venture, partnership, agency or similar endeavor between the parties. Each party is acting solely as an independent contractor, and neither party has any power or authority to directly or indirectly bind or act on behalf of the other.
- 12.2 **Liability of Parties.** Nothing contained in this Agreement, nor any obligation imposed upon a party hereunder, nor the issuance and sale of bonds by a party, shall constitute or create an indebtedness of the other party. Neither party shall have any obligation whatsoever to repay any debt or liability of the other party.
- 12.3 **Notices.** Except as otherwise provided herein, all notices required to be given under this Agreement shall be in writing and shall be hand-delivered, sent by registered or certified mail, return receipt requested, or electronically confirmed email transmission to the following addresses:

Trails, LLC
c/o Ventana Capital, Inc.
9801 East Easter Avenue
Centennial, Colorado 80112
Attention: Tom Clark

City of Aurora:
City Attorney
15151 East Alameda Parkway
Aurora, Colorado 80012

All notices will be deemed effective: if delivered by hand on the date of delivery; if mailed, three days after mailing; and, if by email, upon electronic confirmation of delivery. Any party may by written notice change the address to which future notices shall be sent.

- 12.4 **Representations.** Each party represents and warrants that:
- (a) **Authority.** It has all requisite power, corporate and otherwise, to execute, deliver and perform its obligations pursuant to this Agreement, that such actions have been duly authorized by it, and that upon execution and delivery of this Agreement, the provisions hereof will constitute its legal, valid and binding obligation, enforceable against it in accordance with the terms hereof;
 - (b) **No Litigation.** There is no action, suit, inquiry, investigation or proceeding to which it is a party, at law or in equity, which is pending or, to the best of its knowledge, threatened, in connection with any of the transactions contemplated by this Agreement wherein an unfavorable decision, ruling or finding could reasonably be expected to have a materially adverse effect on the validity or enforceability of, or its ability to perform its obligations under, this Agreement; and

(c) No Conflict. Its execution, delivery and performance of this Agreement is not in violation of, nor does it constitute an event of default under, any other contract, agreement or instrument to which it is a party.

- 12.5 Regulatory Approval.** The design, construction, operation and maintenance of the facilities to serve Trails Customers as provided for herein require that permits and approvals be obtained from various regulatory entities, including the State of Colorado, Douglas County and the City of Aurora. The parties shall cooperatively and diligently pursue obtaining said regulatory approvals in such a manner that water and sewer services contemplated by this Agreement can be provided in a timely manner. Trails shall be primarily responsible for obtaining necessary regulatory approvals for the design and construction of the Water and Sewer System in compliance with the City of Aurora standards. City shall be primarily responsible for obtaining necessary regulatory approvals for the operation and maintenance of the Water and Sewer System, including approval for needed infrastructure. The granting of such regulatory permits and approvals is beyond the direct control of the parties to this Agreement. In the event that any notice is received from a regulatory agency of a potential delay or denial in the issuance of a necessary permit or approval, the parties shall mutually cooperate to determine solutions to lessen the impact of such delay or denial.
- 12.6 No Waiver.** No party shall waive its rights hereunder by failing to exercise its rights; any such failure shall not affect the right of such party to exercise at some future time the rights not previously exercised.
- 12.7 Force Majeure.** Should any party be unable to perform any obligation required of it under this Agreement because of any cause beyond its control and not due to the party's fault or negligence, including but not limited to war, insurrection, riot, civil commotion, strikes, lockout, fire, earthquake, windstorm, drought, flood, action or inaction of governmental authorities (including the adoption of new or revised rules and regulations), moratoriums, material shortages, or any other force majeure, each party's performance of the obligation affected shall be suspended for so long as such cause prevents it from performing such obligation, without liability on its part.
- 12.8 Severability.** If any clause or provision of this Agreement is illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, then, and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby. It is also agreed that in lieu of each clause or provision of this Agreement that is illegal, invalid or unenforceable, there shall be added as a part of this Agreement a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.
- 12.9 Form.** Headings and titles of this Agreement are for convenience only and do not hold any substantive meaning.
- 12.10 Integration.** This Agreement, including the Exhibits attached hereto, shall be construed and enforced as the fully integrated expression of the parties' agreement with respect to the matters addressed. No express or implied covenant not specifically set forth herein shall be a part of this Agreement. The parties expressly aver that no representations other than those specifically set forth in this Agreement have been relied upon by either party to induce it to enter into this Agreement.

- 12.11 Third-Party Beneficiaries.** It is not the intent of the parties, nor shall it be the effect of this Agreement, to vest rights of any nature or form in individuals or entities not executing this Agreement as a party.
- 12.12 Counterparts.** This Agreement may be executed in one or more counterparts, all of which together shall constitute one and the same instrument.
- 12.13 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado and applicable federal law.
- 12.14 No Presumption.** The parties to this Agreement and their attorneys have had a full opportunity to review and participate in the drafting of the final form of this Agreement. Accordingly, this Agreement shall be construed without regard to any presumption or other rule of construction against the party causing the Agreement to be drafted.
- 12.15 Assignment.** Except for the assignment by Trails to any successor in-interest to all or any portion of the Property, as determined by Trails, this Agreement shall not be assignable by Trails or City without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.
- 12.16 Binding Effect; Covenants Run with the Land.** The covenants, terms, conditions and provisions set forth in this Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective successors and permitted assigns and shall run with the Property. This Agreement or a Memorandum of Agreement may be executed by the parties and recorded against the Property.

[Signature page and Exhibits follow]

TRAILS, LLC, a Colorado limited liability company

By: [Signature]
Name: Darwin Horan
Its: Manager

Date: Dec 28, 2018

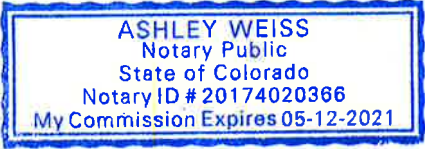
STATE OF COLORADO)
) ss
COUNTY OF Arapahoe)

The foregoing instrument was acknowledged before me this 28 day of December, 2018, by Darwin Horan, Manager acting on behalf of the Trails, LLC, a Colorado limited liability company.

Witness my hand and official seal. [Signature]
Notary Public

My commission expires: 5/12/2021

(SEAL)



CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS
UTILITY ENTERPRISE

Bob LeGare

Bob LeGare, Mayor

12-18-18

Date

ATTEST:

Michael Lawson
Michael Lawson, Interim City Clerk

12/18/18

Date

APPROVED AS TO FORM FOR AURORA:

Christine McKenney
Christine McKenney,
Interim Client Services Manager
City Attorney Office

11/16/2018

Date

18038927
ACS #

STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 18 day of December 2018, by Bob LeGare, Mayor, acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal. *Leiana Baker*
Notary Public

My commission expires: 7-28-21

(SEAL)

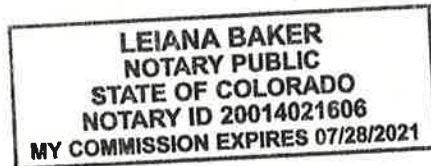


Exhibit A

DEFINITIONS

1. **"Agreement"** means this Water and Sewer Service Agreement by and between Trails and City, as may be supplemented or amended from time to time.
2. **"Customer Facilities"** means as defined in Section 4.1(b).
3. **"Trails"** means as defined in the first paragraph of this Agreement.
4. **"Trails Customers"** means existing and future users of water and sewer services located within the boundaries of the Property.
5. **"Rates, Fees and Charges"** means as defined in Section 5.1.
6. **"Water and Sewer System"** means the Facilities constructed by Trails and conveyed to City that provide sewer and potable water to Trails Customers.
7. **"Effective Date"** means as defined in the first paragraph of this Agreement.
8. **"Environmental Laws"** means any statute, law, ordinance, regulation, rule, judgment, decree or order of any governmental authority or court relating to any matter of pollution, protection of the environment, environmental regulation or control regarding Hazardous Substances.
9. **"Facilities"** means improvements and facilities necessary and appropriate to deliver sewer and potable water from their points of connection to Customer Facilities including, but not limited to, improvements and facilities necessary and appropriate to acquire, treat, store and deliver sewage and potable water to Facilities, including, but not limited to, wells, treatment plants, pumping stations, tanks, reservoirs, transmission pipelines, communication facilities and related appurtenances, and including, without limitation, water mains, valves, fire hydrants, manholes and related appurtenances. Facilities are designed and constructed and conveyed to City for operation and maintenance in accordance with the City Rules and Regulations.
10. **"Hazardous Substance"** means any toxic or hazardous materials, wastes or substances, defined as, or included in the definition of, "hazardous wastes," "hazardous materials" or "toxic substances" under any Environmental Law, including, but not limited to, friable asbestos, buried contaminants, regulated chemicals, flammable explosives, radioactive materials, polychlorinated biphenyls, petroleum and petroleum products.
11. **"Property"** means as defined in Recital B.
12. **"City"** means as defined in the first paragraph of this Agreement.
13. **"City Rules and Regulations"** means the rules and regulations adopted by City, as the same may be supplemented or amended from time to time, which govern the provision of water and sewer services to Trails Customers, subject to the terms and conditions of this Agreement.
14. **"Water Rights"** means as defined in Article 3.

Exhibit B

PROPERTY DESCRIPTION

LEGAL DESCRIPTION – TRAILS FKA SMOKY HILL TRAIL ESTATES

A PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS:

BEARINGS ARE BASED ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, ASSUMED TO BEAR SOUTH 00°17'37" EAST, A DISTANCE OF 2875.73 FEET BETWEEN THE FOLLOWING DESCRIBED MONUMENTS:

- NORTHEAST CORNER OF SECTION 5 FOUND 3.25 ALUMINUM CAP PLS 38098 MATCHING MONUMENT RECORD AS FILED.

- EAST QUARTER CORNER OF SECTION 5 FOUND 3.25 ALUMINUM CAP PLS 17666 MATCHING MONUMENT RECORD AS FILED.

COMMENCING AT SAID EAST QUARTER CORNER;

THENCE NORTH 89°23'40" WEST, A DISTANCE OF 40.00 FEET TO THE NORTHEAST CORNER OF HIDDEN PINES FILING 1, RECEPTION NO. 2015070148 AND THE POINT OF BEGINNING;

THENCE NORTH 89°23'40" WEST, ALONG THE NORTHERLY LINE OF SAID HIDDEN PINES FILING 1, A DISTANCE OF 2,622.69 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION 5;

THENCE NORTH 89°15'04" WEST, ALONG THE NORTH LINE OF RECEPTION NUMBER 02057841, A DISTANCE OF 667.03 FEET TO A NUMBER 3 REBAR;

THENCE NORTH 89°14'20" WEST, ALONG THE NORTH LINE OF RECEPTION NUMBER 2017080419, A DISTANCE OF 667.44 FEET TO A NUMBER 3 REBAR;

THENCE NORTH 89°20'35" WEST, A DISTANCE OF 759.67 FEET TO THE SOUTHEAST CORNER OF LIVENGOOD HILLS, RECEPTION NO. 122187 AS MONUMENTED WITH A REBAR AND ILLEGIBLE 1" YELLOW PLASTIC CAP;

THENCE ALONG THE EASTERLY LINE OF SAID LIVENGOOD HILLS THE FOLLOWING EIGHT (8) COURSES AND DISTANCES;

1. NORTH 01°02'19" WEST, A DISTANCE OF 786.32 FEET TO A NUMBER 3 REBAR;
2. NORTH 01°00'17" WEST, A DISTANCE OF 260.0 FEET TO A NUMBER 3 REBAR;
3. NORTH 00°45'18" WEST, A DISTANCE OF 284.85 FEET TO A NUMBER 3 REBAR;
4. NORTH 00°57'03" WEST, A DISTANCE OF 349.45 FEET TO A NUMBER 3 REBAR;
5. NORTH 00°52'40" WEST, A DISTANCE OF 298.91 FEET TO A NUMBER 3 REBAR;

6. NORTH 00°53'11" WEST, A DISTANCE OF 359.79 FEET TO A NUMBER 3 REBAR;
7. NORTH 00°50'34" WEST, A DISTANCE OF 274.87 FEET TO A NUMBER 3 REBAR;
8. NORTH 01°29'58" WEST, A DISTANCE OF 162.62 FEET TO A REBAR AND ILLEGIBLE 1" YELLOW PLASTIC CAP ;

THENCE NORTH 89°24'25" EAST, A DISTANCE OF 953.09 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF SOUTH SAMPSON GULCH WAY;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING NINE (9) COURSES AND DISTANCES;

1. THENCE SOUTH 32°45'44" EAST, A DISTANCE OF 47.25 FEET;
2. THENCE NORTH 89°24'25" EAST, A DISTANCE OF 68.30 FEET;
3. THENCE ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 762.00 FEET, A CENTRAL ANGLE OF 39°02'44", WHOSE CHORD BEARS SOUTH 70°58'12" EAST A DISTANCE OF 509.29 FEET, FOR AN ARC DISTANCE OF 519.28 FEET;
4. THENCE NORTH 89°30'27" EAST, A DISTANCE OF 2,314.30 FEET;
5. THENCE ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 8,037.00 FEET, A CENTRAL ANGLE OF 04°34'07", WHOSE CHORD BEARS NORTH 87°13'23" EAST A DISTANCE OF 640.68 FEET, FOR AN ARC DISTANCE OF 640.85 FEET;
6. THENCE NORTH 84°56'19" EAST, A DISTANCE OF 106.12 FEET;
7. THENCE NORTH 89°30'46" EAST, A DISTANCE OF 37.62 FEET;
8. THENCE NORTH 85°00'55" EAST, A DISTANCE OF 88.65 FEET;
9. THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 18.00 FEET, A CENTRAL ANGLE OF 94°41'31", WHOSE CHORD BEARS SOUTH 47°38'19" EAST A DISTANCE OF 26.48 FEET, FOR AN ARC DISTANCE OF 29.75 FEET TO THE WESTERLY RIGHT-OF-WAY OF NORTH PINEY LAKE ROAD;

THENCE ALONG SAID RIGHT-OF-WAY THE FOLLOWING FIVE (5) COURSES AND DISTANCES;

1. THENCE SOUTH 00°17'34" EAST, A DISTANCE OF 42.22 FEET;
2. THENCE NORTH 89°42'26" EAST, A DISTANCE OF 25.86 FEET;
3. THENCE SOUTH 00°17'37" EAST, A DISTANCE OF 300.53 FEET;
4. THENCE SOUTH 00°41'23" WEST, A DISTANCE OF 582.71 FEET;
5. THENCE SOUTH 00°17'37" EAST, A DISTANCE OF 1,759.86 FEET TO THE POINT OF BEGINNING.

CONTAINING 12,640,269 SQUARE FEET OR 290.180 ACRES, MORE OR LESS

NOTE: SURVEY BOUNDARY DESCRIPTION IS BEING PROVIDED TO COMBINE BOTH PARCELS INTO ONE DESCRIPTION AND TO REMOVE THE EXCEPTION PARCELS IN PREPARATION OF A SUBDIVISION PLAT.

Exhibit C
TRAILS WATER RIGHTS

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

Dated MAY 02 2018

Rachael L. Erickson

Clerk of the District Court
Weld County, Colorado

[Signature]
Deputy

DISTRICT COURT, WATER DIVISION 1, STATE OF COLORADO Weld County Courthouse 90 9 th Avenue Greeley, Colorado 80631 (970) 351-7300	DATE FILED: May 1, 2018 6:55 AM
CONCERNING THE APPLICATION FOR WATER RIGHTS OF SMOKY HILL TRAIL ESTATES, INC.	▼ COURT USE ONLY ▼
IN DOUGLAS COUNTY	
Case No. 2017CW3087	
FINDINGS OF FACT, CONCLUSIONS OF LAW, RULING OF THE REFEREE, AND JUDGEMENT AND DECREE OF THE WATER COURT	

A claim for groundwater was filed in this case on June 28, 2017. All matters contained in the application have been reviewed, such testimony having been taken and evidence presented as was necessary, and being otherwise fully advised on the matter, the Referee rules as follows:

FINDINGS OF FACT

1. Name, Address and Telephone Number of Applicant:

Smoky Hill Trail Estates, Inc.
4950 York Street
Denver, CO 80216
Attention: Joseph N. Huff, President
303-295-7527

2. Opposers: The City of Aurora filed a timely statement of opposition to the application. No one else filed a statement of opposition, and the time for filing statements of opposition has expired.

3. Stipulations: Applicant has entered into a stipulation with the City of Aurora, dated January 23, 2018, in which it was agreed that the City of Aurora would not oppose the entry of a decree at least as protective of its rights as the version attached to the stipulation, which this decree is.

4. Subject Matter Jurisdiction: Notice of the application was given in the manner required by law, and the Court has jurisdiction over the subject matter and over all who have standing to appear as parties, whether they have appeared or not. The land and water

rights involved herein are not included within the boundaries of a designated groundwater basin.

5. **Determination of Ground Water Rights:** Applicant is the owner of and seeks a determination of its rights to all available ground water in the Upper Dawson, Lower Dawson, Denver, Arapahoe and Laramie Fox-Hills Aquifers underlying the following parcel (the "Property"), the location of which is illustrated in the figure attached as Exhibit 1.

- a. **Property:** Consisting of approximately 291 acres located in the North half of Section 5, Township 6 South, Range 65 West of the 6th P.M., in Douglas County, Colorado, as Parcels A and B, more particularly described in Exhibits 2 and 3 attached hereto and made a part hereof.
- b. **Applicant is the sole owner of the Property.**

6. **Source:** Applicant requests the right to withdraw and use all physically and legally available water from the Denver Basin aquifers underlying the Property. The ground water to be withdrawn from the Upper Dawson aquifer underlying the boundaries of the Property is "not nontributary" ground water, as defined by Section 37-90-103(10.7), C.R.S., and as defined by 2 CCR 402-6, Rule 5. The ground water in the Lower Dawson, Denver, Arapahoe and Laramie Fox-Hills Aquifers underlying the Property is "nontributary" ground water, as defined by Section 37-90-103-(10.5), C.R.S., and as defined by 2 CCR 402-6, Rule 5.

7. **State Engineer's Determination:** On September 11, 2017, the Colorado State Engineer made his Determination of Facts with respect to each of Applicant's claims. This decree is consistent with that Determination of Facts.

8. **Date of Appropriation:** Not applicable. Pursuant to Sections 37-90-102(2) and 37-92-305(11), C.R.S., the Denver Basin ground water rights that are the subject of this application are not subject to the doctrine of prior appropriation and need not include a date of initiation of the withdrawal project.

9. **How Appropriation Was Initiated:** Not applicable. Pursuant to Sections 37-90-102(2) and 37-92-305(11), C.R.S., the Denver Basin ground water rights that are the subject of this application are not subject to the doctrine of prior appropriation.

10. **Date Water Applied to Beneficial Use:** Not applicable. Pursuant to Section 37-90-102(2), C.R.S., the Denver Basin ground water rights that are the subject of this application are not subject to the doctrine of prior appropriation.

11. **Amount and Allowed Rate of Withdrawal:** The following amounts and values conform to the State Engineer's Determination of Facts for each aquifer dated September 11, 2017.

a. **Not Nontributary Upper Dawson Aquifer:** The estimated average number of feet of saturated aquifer materials in the not nontributary Upper Dawson Aquifer underlying portions of the Property is calculated to be 40.0 feet. Pursuant to 2 CCR 402-6, Rule 6, the specific yield of the Upper Dawson Aquifer is 20 %. Based on the overlying acreage of the Property (291 acres), less the area of existing cylinders of appropriation (132 acres), and an aquifer life of 100 years, the average annual amount of available withdrawal is as follows, subject to this Court's retained jurisdiction:

Acreage (acres)	Saturated Thickness (ft)	Specific Yield	Total Amount (acre-feet)	Annual Amount (acre-feet/year)
159	40.0	0.2	1,272	12.7

An exempt well, constructed pursuant to Well Permit No. 65766, is located on the Property in order to provide water for domestic purposes to 160 acres of the Property lying in the NE1/4 of Section 5, Township 6 South, Range 65 West of the 6th P.M. Applicant reserves up to 3 acre-feet per year of the annual amount of available withdrawal from the Upper Dawson aquifer underlying the Property to the well associated with Permit No. 65766, for a total of 300 acre-feet. Therefore, the annual amount of allowed withdrawal from the not nontributary Upper Dawson Aquifer under this Decree, and subject to this Court's retained jurisdiction, is reduced to 9.7 acre feet per year, for a total amount of 972 acre-feet.

Should Applicant, or its successors-in-interest to the portion of the Property served by the exempt well associated with Well Permit No. 65766, abandon that well and its permit, this Court's retained jurisdiction may be exercised, as provided in paragraph 23.e, to amend this Decree to include the unwithdrawn portion of the 300 acre-feet reserved to Well Permit No. 65766 within the annual amount of withdrawal from the not nontributary Upper Dawson Aquifer that may be made pursuant to this Decree.

b. **Nontributary Lower Dawson Aquifer:** The estimated average number of feet of saturated aquifer materials in the nontributary Lower Dawson Aquifer underlying portions of the Property is calculated to be 40.0 feet. Pursuant to 2 CCR 402-6, Rule 6, the specific yield of the nontributary Lower Dawson Aquifer is 20 %. Based on the overlying acreage of the Property (291 acres), less the area of an existing cylinder of appropriation (23 acres), and an aquifer life of 100 years, the average annual amount of withdrawal is as follows, subject to this Court's retained jurisdiction:

Acreage (acres)	Saturated Thickness (ft)	Specific Yield	Total Amount (acre-feet)	Annual Amount (acre-feet/year)
268	40	0.2	2,144	21.4

c. **Nontributary Denver Aquifer:** The estimated average number of feet of saturated aquifer materials in the nontributary Denver Aquifer underlying portions of the Property is calculated to be 225.0 feet. Pursuant to 2 CCR 402-6, Rule 6, the specific yield of the nontributary Denver Aquifer is 17 %. Based on the overlying acreage of the Property (291 acres), less the area of an existing cylinder of appropriation (3.0 acres), and an aquifer life of 100 years, the average annual amount of withdrawal is as follows, subject to this Court's retained jurisdiction:

Acreage (acres)	Saturated Thickness (ft)	Specific Yield	Total Amount (acre-feet)	Annual Amount (acre-feet/year)
288.0	225.0	0.17	11,016	110.2

d. **Nontributary Arapahoe Aquifer:** The estimated average number of feet of saturated aquifer materials in the nontributary Arapahoe Aquifer underlying portions of the Property is calculated to be 270.0 feet. Pursuant to 2 CCR 402-6, Rule 6, the specific yield of the nontributary Arapahoe Aquifer is 17 %. Based on the overlying acreage of the Property, and an aquifer life of 100 years, the average annual amount of withdrawal is as follows, subject to this Court's retained jurisdiction:

Acreage (acres)	Saturated Thickness (ft)	Specific Yield	Total Amount (acre-feet)	Annual Amount (acre-feet/year)
291	270.0	0.17	13,357	133.6

e. **Nontributary Laramie-Fox Hills Aquifer:** The estimated average number of feet of saturated aquifer materials in the nontributary Laramie-Fox Hills Aquifer underlying portions of the Property is calculated to be 215 feet. Pursuant to 2 CCR 402-6, Rule 6, the specific yield of the nontributary Laramie-Fox Hills Aquifer is 15 %. Based on the overlying acreage of the Property, and an aquifer life of 100 years, the average annual amount of withdrawal is as follows, subject to this Court's retained jurisdiction:

Acreage (acres)	Saturated Thickness (ft)	Specific Yield	Total Amount (acre-feet)	Annual Amount (acre-feet/year)
291	215.0	.15	9,385	93.8

12. **Decreed Uses of Water:** The water withdrawn from the Upper Dawson, Lower Dawson, Denver, Arapahoe, and Laramie-Fox Hills Aquifers will be applied to the following beneficial purposes: all uses needed for the development of and supply of water to Smokey Hill Trail Estates and/or other developments, residential use, including domestic and irrigation, water and wastewater treatment, street cleaning, dust control, firefighting, commercial, industrial, irrigation, stock watering, recreation, fish and wildlife uses, storage, augmentation, replacement and exchange, including reuse and successive uses until such water has been

entirely consumed. The water may be used through immediate application to beneficial uses, for storage and subsequent application to beneficial uses, for exchange purposes, for replacement of depletions and for augmentation purposes.

13. **Names of Wells:** The names of the wells to be constructed pursuant to this Decree will be designated at the time that they are permitted and constructed. However, these water rights will be referred to collectively as the "Denver Basin Water Rights" for the purposes of this decree.

14. **Legal Description of the Wells:** Applicant may locate wells at any point within the boundaries of the Property, without the necessity of petitioning the Court for the opening of this Decree. *See* 2 CCR 402-7, Rule 11. In addition, pursuant to the provision of 2 CCR 402-7, Rule 11, the Denver Basin Water Rights may be withdrawn from existing wells. Applicant waives any 600 foot spacing requirement for wells located on the Property.

15. **Depth and Pumping Rate(s):** The depth to the bottom of each aquifer will be ascertained at the time wells are constructed to withdraw the Denver Basin Water Rights. The well depths will vary according to the actual topographical location of each of the wells and the depth of the aquifer at each location. Wells will withdraw the subject groundwater rights at rates of flow necessary to withdraw the entire decreed annual amounts of groundwater.

16. **Final Average Annual Amounts of Withdrawal:**

a. Final determination of the applicable average saturated sand thickness and resulting average annual amounts available to Applicant will be made pursuant to the retained jurisdiction of this Court, as described in paragraph 22 below. In the event that this Decree is not reopened for a further quantitative determination, the findings herein are final and controlling.

b. The allowed annual amount of withdrawal from an aquifer may exceed the allowed average annual amount of withdrawal so long as the total volume of water withdrawn from each aquifer does not exceed the product of the number of years since the date of entry of a decree in this case, times the allowed average annual amount of withdrawal. 2 CCR 402-7, Rule 8A.

17. **Source of Groundwater and Limitations on Consumption:**

a. The groundwater to be withdrawn from the Lower Dawson, Denver, Arapahoe and Laramie-Fox Hills aquifers is "nontributary groundwater" as defined in C.R.S. § 37-90-103(10.5) the withdrawal of which will not, within 100 years of continuous withdrawal, deplete the flow of a natural stream, including a natural stream as defined in C.R.S. §§ 37-82-101(2) and 37-92-102(1)(b), at an annual rate greater than 1/10 of 1% of the annual rate of withdrawal.

- i. Withdrawal of ground water from the nontributary aquifers will be subject to the relinquishment of 2% of the amount of water withdrawn as is required by Section 37-90-137(9)(b), C.R.S., and 2 CCR 402-6, Rule 8. Applicant may not consume more than 98% of the annual quantity of water withdrawn from the nontributary Lower Dawson, Denver, Arapahoe, and Laramie-Fox Hills aquifers. The relinquishment of 2% of the annual amount of water withdrawn from the stream system, as required by Rule 8 of the Denver Basin Rules, 2 CCR 402-6, may be satisfied by any method selected by the Applicant and satisfactory to the State Engineer, so long as Applicant can demonstrate that an amount equal to 2% of such withdrawals (by volume) has been relinquished to the stream system.
- b. The groundwater to be withdrawn from the Upper Dawson aquifer is “not nontributary” as defined in C.R.S. §§ 37-90-137(9)(c) and 37-90-103(10.7) and such water may not be withdrawn until such time as a plan for augmentation has been approved by this Court pursuant to a separate application.
- c. The ground water attributable to the Denver Basin Water Rights will be withdrawn at a pumping rate consistent with sound engineering principles and practices. Construction and equipping of the wells will be pursuant to the following conditions:
 - i. Ground water production from each well will be limited to the aquifer into which the well is drilled. Plain, non-perforated casing will be installed and properly grouted so as to prevent withdrawal of water from more than one aquifer.
 - ii. A totalizing flow meter will be installed on the pump discharge prior to diversion of water for beneficial uses. 2 CCR 402-7, Rule 15. Annual records of all diversions will be maintained by the Applicant and submitted to the Division Engineer upon request.
 - iii. Each well will be equipped so that the water level may be measured and monitored.
 - iv. The bore hole of each well below the surface casing will be geophysically logged prior to installation of final casing in conformance with the Statewide Nontributary Ground Water Rules. 2 CCR 402-7, Rule 9.
- d. Well permit applications will be filed with the Colorado Division of Water Resources (“State Engineer”) at such time as Applicant is ready to drill the wells to access the water rights described herein. The State Engineer shall issue well permits in accordance with C.R.S. §§ 37-90-137(4) and (10), and the decree

entered herein. Should Applicant fail to construct any well prior to the expiration of the corresponding well permit, Applicant may reapply to the State Engineer for a new well permit, and the State Engineer shall issue a new permit identical to the expired well permit.

18. **Additional Wells and Well Fields:**

a. Applicant may construct such "Additional Wells," as that term is defined pursuant to 2 CCR 402-7, Rule 4.A.1., and as may be required to maintain the annual appropriations for the New Denver Basin Water Rights determined herein, to meet water supply demands or to recover the entire amount of groundwater in the subject aquifers underlying the Property, as described herein. As Additional Wells are planned, applications shall be filed in accordance with § 37-90-137(10), C.R.S., for evaluation by the Division of Water Resources. Applicant does not seek the right under this decree to drill wells on lands other than the Property to withdraw the water rights confirmed by this decree; however, it reserves the right, on behalf of itself and its successors, to seek such authorization pursuant to 2 CCR 402-7, Rules 11 and 14 under a separate decree.

b. In considering applications for permits for Additional Wells, the State Engineer shall be bound by this decree and shall issue permits in accordance with provisions of C.R.S. § 37-90-137(10).

c. Two or more wells constructed into the same aquifer shall be considered a well field. In effecting production of water from a well field, Applicant may produce the entire amount that may be produced hereunder through any combination of wells within the well field.

d. In the event that the allowed average annual amounts of withdrawal decreed herein are adjusted pursuant to the retained jurisdiction of the Court, Applicants shall obtain permits to reflect such adjusted average annual amounts prior to withdrawing the adjusted amounts. Subsequent permits for any wells herein shall likewise reflect any such adjustment of the average annual amounts decreed herein.

CONCLUSIONS OF LAW

19. The Water Court has jurisdiction over this proceeding pursuant to C.R.S. § 37-90-137(6). This Court concludes as a matter of law that the application is one contemplated by law pursuant to C.R.S. § 37-90-137(4). The application for a decree confirming Applicant's right to withdraw and use all groundwater from the nontributary aquifers beneath the Property pursuant to C.R.S. § 37-90-137(4) should be granted, subject to the provisions of this Decree. The nature and extent of the rights to not-nontributary and nontributary groundwater determined by this Decree are defined by C.R.S. §§ 37-90-137(4), 37-90-137(9), and 37-90-

137(9)(c). The withdrawal of the groundwater in accordance with the terms of this Decree will not result in material injury to vested water rights of others.

20. The rights to groundwater confirmed by this decree shall not be administered in accordance with priority of appropriation. Such rights are not "conditional water rights" as defined by C.R.S. § 37-92-103(6), and findings of reasonable diligence are not required or applicable to the groundwater rights determined by this decree. The determination of groundwater rights by this decree need not include a date of initiation of the withdrawal of water. See C.R.S. § 37-92-305(11).

IT IS THEREFORE, ORDERED, ADJUDGED, AND DECREED THAT:

21. The Findings of Fact and Conclusions of Law are incorporated into this Decree of the Water Court.

22. **Right to Withdraw Groundwater:** The Applicant may withdraw the not nontributary and nontributary groundwater decreed herein through wells located on the Property in the average annual amounts specified by this Decree, subject to the provisions of this Decree and the retained jurisdiction of this Court. In accordance with C.R.S. § 37-90-137(9)(c), the water from the not nontributary Upper Dawson aquifer may not be withdrawn until a separate plan for augmentation has been approved by this Court.

23. **Retained Jurisdiction:**

a. The Court retains jurisdiction as necessary to adjust the average annual amount of groundwater available under the Property to conform to actual local aquifer characteristics as determined from adequate information obtained from wells, pursuant to C.R.S. § 37-92-305(11). Within 60 days after completion of any well decreed herein, or any test hole(s), Applicant or any successor in interest to these water rights shall serve copies of such log(s) upon the State Engineer.

b. At such time as adequate data are available, any person including the State Engineer may invoke the Court's retained jurisdiction to make a Final Determination of Water Right. Within four months of notice that the retained jurisdiction for such purpose has been invoked, the State Engineer shall use the information available to him to make a final determination of the water rights finding. The State Engineer shall submit such finding to the Water Court and Applicant, or its successor and assigns.

c. If no protest to such findings by the State Engineer is made within 60 days, the Final Determination of Water Rights shall be incorporated into the Decree by the Water Court. In the event of a protest, or in the event the State Engineer makes no

determination within four months, such final determination shall be made by the Water Court after notice and hearing.

d. In the interim, the Court retains jurisdiction in this matter pursuant to C.R.S. § 37-92-305(11).

e. The Court further retains jurisdiction pursuant to C.R.S. § 37-92-305(11) to amend this Decree to include the unwithdrawn portion of the 300 acre-feet reserved to Well Permit No. 65766 within the annual amount of withdrawal from the not nontributary Upper Dawson Aquifer that may be made pursuant to this Decree, should Applicant, or its successors-in-interest, abandon that well and its permit.

i. Upon notice to the State Engineer and the City of Aurora of the abandonment of both the well and Well Permit No. 65766, Applicant or its successor may invoke the Court's retained jurisdiction to amend this Decree to include the unwithdrawn portion of the 300 acre-feet reserved to Well Permit No. 65766 within the annual amount of withdrawal from the not nontributary Upper Dawson Aquifer that may be made pursuant to this Decree.

ii. Within four months of notice that the retained jurisdiction for such purpose has been invoked, the State Engineer shall use the information available to him to issue findings of fact regarding the amount of the unwithdrawn portion previously allocated to Well Permit No. 65766. The State Engineer shall submit such finding to the Water Court and Applicant, or its successor and assigns.

iii. If no protest to such findings of fact by the State Engineer is made within 60 days, the State Engineer's determination of the amount of the unwithdrawn portion of the 300 acre-feet previously reserved to Well Permit No. 65766 to be added to the annual amount of withdrawal from the not nontributary Upper Dawson Aquifer shall be incorporated into the Decree by the Water Court.

iv. In the event of a protest, or in the event the State Engineer makes no determination within four months, such final determination shall be made by the Water Court after notice and hearing.

24. The groundwater rights decreed herein are vested property rights decreed to the Applicant and shall be owned by the Applicant until such time as the Applicant expressly conveys all of the water underlying the Property, or a portion thereof, to another person or entity.

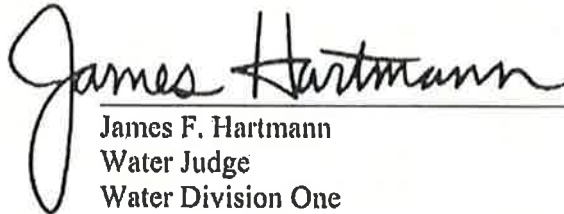
Date: April 6, 2018



John S. Cowan
Water Referee
Water Division One

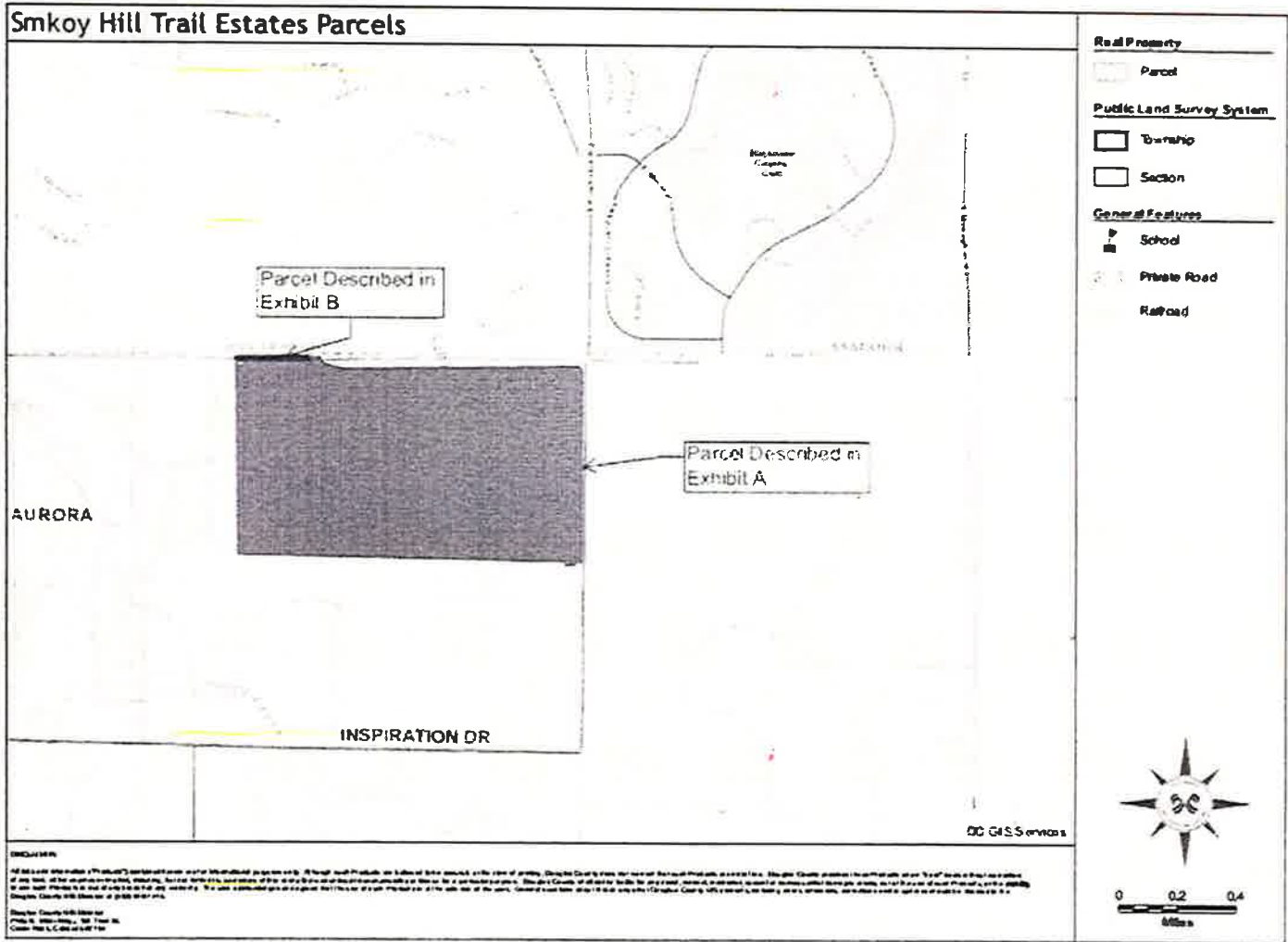
The Court finds that no protest was filed in this matter. The foregoing ruling is confirmed and approved, and is made the Judgement and Decree of this Court.

Date: May 1, 2018



James F. Hartmann
Water Judge
Water Division One

Exhibit 1 to Decree - Parcels Owned by Applicant



Smokey Hill Trail Estates, Inc.
2017CW3087

EXHIBIT 1

EXHIBIT 2 TO DECREE

PARCEL A

Beginning 40 feet N from the SW corner of Section 5, Township 6 S, Range 65 West of the 6th P.M.; thence N along the section line 2647.6 feet to the half section line; thence E 573 feet to a secondary point; thence N 2738.6 feet to a point 40 feet S of the N section line; thence 4817 feet to the E section line; thence S along the E section line 2836 feet; thence W 4766 feet to the secondary point of beginning; being the N half of Section 5, Township 6 South, Range 65 West of the 6th P.M.; Except the West 573 feet and the N 40 feet, and Except any portion lying within North Piney Lake Road, County of Douglas, State of Colorado.

EXHIBIT 3 TO DECREE

PARCEL B

A 40' WIDE PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN; COUNTY OF DOUGLAS, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5 IS ASSUMED TO BEAR S 89°58'28" E;

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 5;

THENCE ALONG THE EASTERLY LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, S 00°13'35" W, A DISTANCE OF 40.00 FEET;

THENCE N 89°58'28" W, A DISTANCE OF 30.00 FEET TO THE NORTHEAST CORNER OF TRACT 1, AS SHOWN ON THE PLAT OF SMOKY HILL TRAIL ESTATES AS RECORDED UNDER RECEPTION NUMBER LSP-830 OF THE DOUGLAS COUNTY RECORDS;

THENCE ALONG THE NORTHERLY LINE OF SAID SMOKY HILL TRAIL ESTATES THE FOLLOWING TWO (2) COURSES:

1. N 89°58'28" W, A DISTANCE OF 2690.52 FEET;
2. S 89°55'18" W, A DISTANCE OF 2067.99 FEET TO THE NORTHWEST CORNER OF SAID SMOKY HILL TRAIL ESTATES;

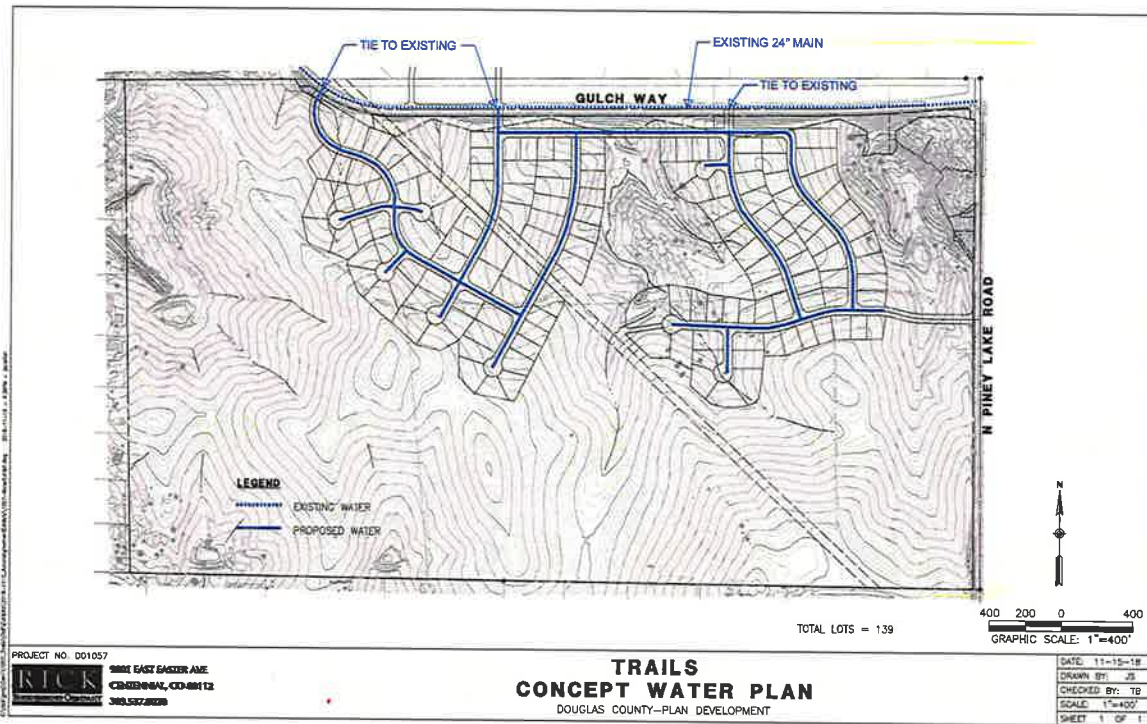
THENCE N 00°26'48" W, A DISTANCE OF 40.00 FEET TO THE NORTHERLY LINE OF SAID SECTION 5;

THENCE ALONG THE NORTHERLY LINE OF SAID SECTION 5 THE FOLLOWING TWO (2) COURSES:

1. N 89°55'18" E, A DISTANCE OF 2068.28 FEET TO THE SOUTH QUARTER CORNER OF SECTION 32, TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN;
2. S 89°58'28" E, A DISTANCE OF 2639.92 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 32;

THENCE CONTINUING ALONG THE NORTHERLY LINE OF SAID SECTION 5, S
89°58'28" E, A DISTANCE OF 80.78 FEET TO THE POINT OF BEGINNING.

Exhibit D
WATER AND SEWER SYSTEM
(As to be Built)



PROJECT NO. D01057
RICKS
 5900 EAST SASKIEN AVE
 CENTENNIAL, CO 80112
 303.537.2020

TRAILS
CONCEPT WATER PLAN
 DOUGLAS COUNTY-PLAN DEVELOPMENT

TOTAL LOTS = 139

400 200 0 400
 GRAPHIC SCALE: 1"=400'

DATE:	11-15-18
DRAWN BY:	JL
CHECKED BY:	TR
SCALE:	1"=400'
SHEET:	1 OF 1

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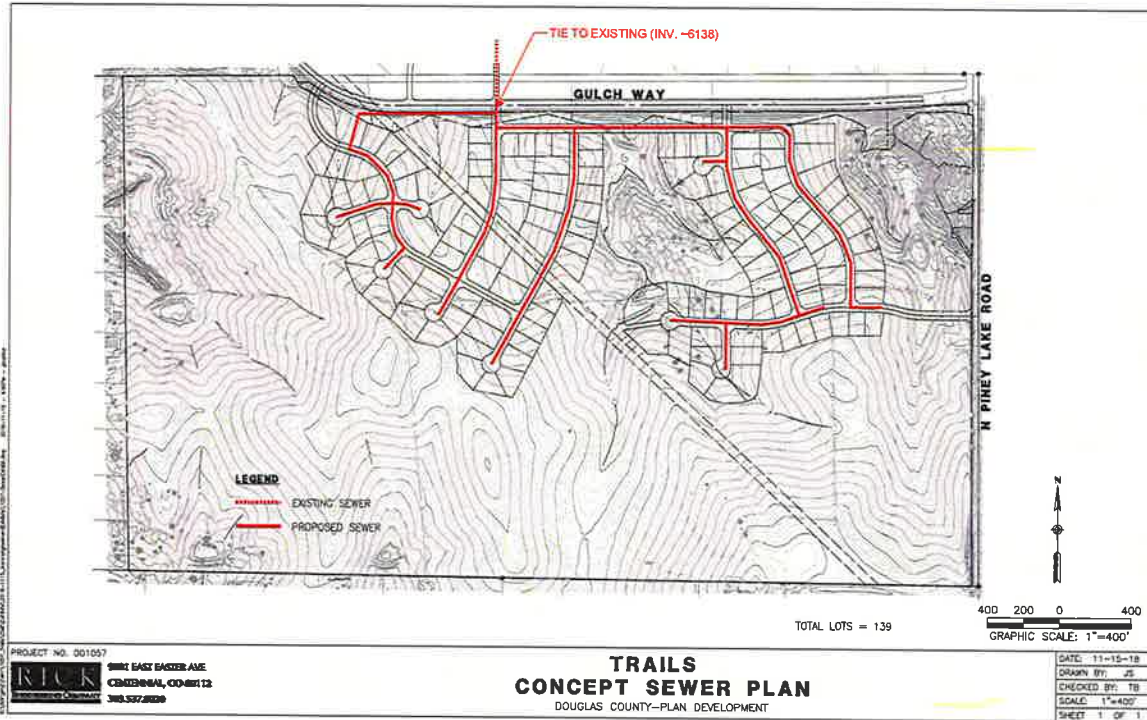


Exhibit I
Compliance with Colorado Clean Water Plan

No water service will be provided by the District. Therefore, compliance with the Colorado Clean Water Plan is not required at this time.

Exhibit J
Advance and Reimbursement Agreement

REIMBURSEMENT AGREEMENT

THIS **REIMBURSEMENT AGREEMENT** (“Agreement”) is made and entered into this ____ day of _____, 2019 by and between **TRAILS METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and Trails, LLC, a Colorado limited liability company (the “Developer”).

RECITALS

WHEREAS, the District is duly and validly organized as a quasi-municipal corporation and political subdivision of the State of Colorado in accordance with the provisions of Title 32, Colorado Revised Statutes; and

WHEREAS, the Developer has an interest related to property within the District's boundaries; and

WHEREAS, the District will use its best efforts to issue bonds to pay for certain capital expenditures, as contemplated in the Service Plan, as the same was approved by the Board of County Commissioners of Douglas County, Colorado; and

WHEREAS, the current financial model for the District acknowledges a deficiency in revenues expected to be generated by the District to pay costs related to the operations of the District; and

WHEREAS, the District anticipates that it will be unable to adequately fund initial administrative and operational expenses on an annual basis without financial assistance in the form of advances contemplated by this Agreement; and

WHEREAS, in order to encourage development within the boundaries of the District and to ensure the continued existence and operation of the District, the Developer anticipates providing funding to the District for the purposes of assisting with the provision of general administrative and operating functions of the District with the expectation of being reimbursed therefor; and

WHEREAS, the District anticipates that it will be unable to adequately fund initial administrative and operational expenses on an annual basis without financial assistance in the form of advances contemplated by this Agreement; and

WHEREAS, the District intends to reimburse the Developer for the advances made to the District by the Developer on behalf of the District; and

WHEREAS, the District finds that this Agreement is in the best interests of its current and future taxpayers.

Service Plan for Trails Metropolitan District

NOW, THEREFORE, for and in consideration of the premises and of the mutual representations, warranties, covenants, agreements, and undertakings set forth herein, the parties agree as follows:

COVENANTS AND AGREEMENT

1. Expenditures. As used in this Agreement, “Expenditures” means operating costs paid by the District to vendors of goods and services provided to or on behalf of the District. Expenditures also include those costs for which the Developer provides monetary advances to the District for administrative and operational expenses of the District, including but not limited to management fees, legal fees, financial consulting fees, engineering fees and general operations and maintenance costs related to the public purposes of the District.

2. Reimbursement. In consideration of advances made by the Developer to the general operating account of the District in accordance with the terms of this Agreement, the District agrees to pay reimbursements plus interest to the Developer pursuant to the terms hereof.

3. Liability. Subject to the terms of this Agreement, the obligations of the District to make the reimbursements plus interest (the “Reimbursement Obligation”) arise upon the receipt of any advance of funds made by the Developer to the District, which advance(s) shall be recorded and tracked by the District's accountant. No advance(s) shall be made until the District has advised the Developer of the amount of the requested advance(s) (the “Advance Request”) and the Developer has been provided with an opportunity to review and approve the same. Any Advance Request shall include a certification of an authorized representative of the District that all funds requested are being used for Expenditures permitted under this Agreement. Within ten (10) business days following receipt of an Advance Request, the Developer shall approve the same and cause the full amount of the Advance Request to be deposited into the general operating account of the District. If the Developer fails to approve any Advance Request made by the District, the specific reasons for such action shall be documented in writing and shall be provided to the District in accordance with section 17 hereof.

Reimbursement for advances made by the Developer to the District in each year shall include interest on the outstanding amounts due from the District to the Developer at the annual rate of eight (8%) simple interest beginning on the date of advance to the date of repayment. Both such date of advance and date of repayment shall be counted in the determination of the number of days for which interest is payable.

All reimbursements made by the District to the Developer shall be duly recorded in the financial records of the District. The District shall determine and document repayments of amounts due for reimbursement.

4. No Pledge of Specific Revenues or Security. No specific source of funds is pledged, and no other form of security is pledged, to the payment of the Reimbursement Obligation. No security in the form of letters of credit, bond insurance, stand-by credit agreements, or other form of credit enhancement shall be utilized by the District for the payment of, or as security for, the Reimbursement Obligation.

5. No Indebtedness or Financial Obligation. It is the intent of the District and the Developer that this Agreement shall NOT constitute a "debt" or a "multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever" of the District within the meaning of the Colorado constitution or any other Colorado law and shall be subject to annual appropriation.

Nothing herein shall be construed to pledge District revenues for future years or impose obligations that would require the use of future revenues from a tax otherwise available for general purposes.

Nothing herein, however, shall prevent the Developer and the District from entering into an agreement that includes a reimbursement obligation in the future that has the effect of renewing this Agreement in substantially the same manner that a lease-purchase agreement may be renewed. The Developer has no claim or penalty against the District in the event that this Agreement is not renewed. The Developer agrees that the District has not pledged its credit to its obligations under this Agreement.

6. Termination. This Agreement shall remain in full force and effect until December 31, 2020, and shall be automatically renewed for successive periods of one (1) year on each January 1st thereafter unless, within ninety (90) days prior to any such automatic renewal, one party provides notice to the other party of its intent not to renew the Agreement.

7. Not Negotiable. This Agreement is not a negotiable instrument.

8. Enforcement. This Agreement shall be enforceable by any party by actions at law or in equity, and any non-breaching party shall be entitled to any and all remedies available at law or in equity, including, but not limited to, specific performance and/or damages.

9. Amendment. This Agreement is subject to amendment only by the written consent of the parties. Such amendment shall be effective as of the date the amendment is executed by the parties or such other date as the parties shall designate.

10. Severability. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and regulations of the State of Colorado. If any provisions of this Agreement or application thereof to any person or circumstance shall for any reason and to any extent be invalid or unenforceable, the remainder of

this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

11. Construction of Language. The language used in this Agreement and all parts thereof shall be construed as a whole according to its fair meaning, and not strictly for nor against any party, and all parties have equally participated in the preparation of this Agreement.

12. Non-Waiver. No waiver of any conditions, remedy or provision of this Agreement shall be deemed to have been made unless expressly made in writing and signed by the party against whom such a waiver is charged; and

(a) The failure of either party to insist in any one or more cases upon the performance of any of the provisions, covenants, or conditions of this Agreement or to exercise any option herein contained, shall not be construed as a waiver thereof or as a relinquishment for the future of any such provisions, covenants, conditions or options;

(b) The acceptance or performance of anything required by this Agreement to be performed with knowledge of the breach or failure of a covenant, condition or provision hereof shall not be deemed a waiver of such breach or failure; and

(c) No waiver by a party of a breach by the other party shall be construed as a waiver with respect to any other or subsequent breach.

13. Governing Law. The terms and provisions of this Agreement shall be governed by, and shall be construed in accordance with, the laws of the State of Colorado.

14. Assignment. This Agreement is personal to the Developer and District, and neither party has any right, power, or authority to assign all or part of this Agreement, or to delegate any duties or obligations arising hereunder, either voluntarily, involuntarily, or by operation of law, without the express written consent of the other party, which consent may be given or withheld in its sole and absolute discretion. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

15. Captions and Headings. The headings throughout this Agreement are for convenience and reference only, and shall in no way be deemed to define, limit, or add to the meaning of any provision of this Agreement.

16. Integration. This Agreement embodies the entire agreement and understanding between the parties concerning the subject matter hereof and supersedes all prior agreements and understandings, if any, between the parties relating to the subject matter thereof.

17. Notices. All notices, requests, demands, consents and other communications hereunder shall be transmitted in writing and shall be deemed to have been duly given when Service Plan for Trails Metropolitan District

hand delivered or sent by certified United States mail, postage prepaid, with return receipt requested, addressed to the parties as follows:

District: Trails Metropolitan District
c/o Spencer Fane, LLP
Attn: Russell Dykstra
1700 Lincoln Street, Suite 2000
Denver, CO 80203

Developer: Trails, LLC
9801 E. Easter Avenue
Centennial, CO 80112

Either party may change the address at which it receives written notice by so notifying the other party in writing in the manner provided herein.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first written above.

TRAILS METROPOLITAN DISTRICT

By: _____
President

ATTEST:

Secretary

TRAILS, LLC,
a Colorado limited liability company

By: _____

FACILITIES FUNDING AND ACQUISITION AGREEMENT

THIS FACILITIES FUNDING AND ACQUISITION AGREEMENT (“Agreement”) is made and entered into to be effective as of the _____ day of _____, 2019, by and between **TRAILS METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”) and **TRAILS, LLC** a Colorado limited liability company (“Developer”) (collectively, the “Parties”).

RECITALS

WHEREAS, Developer is the owner or developer of certain property situate in Douglas County, Colorado, that will be developed as part of a residential development known as Trails (the “Property”); and

WHEREAS, in order to serve the future residents of the Property, certain public infrastructure improvements must be acquired, constructed or installed including but not limited to water, sanitary sewer, park and recreation facilities, roadways, street and safety protection improvements, and drainage improvements and further described in the District’s Service Plan which for purposes of this Agreement shall constitute those improvements described in the Service Plan for the Trails Metropolitan District as may be amended (“Improvements” or “Project Improvements”); and

WHEREAS, the District does not currently have funds available for the construction and installation of the Improvements within the area to be developed by Developer; and

WHEREAS, Developer has agreed to either initially construct the Improvements to convey to the District or to initially fund the construction of the Improvements by the District; and

WHEREAS, the District and Developer have determined that for reasons of economic efficiency and timeliness it is in the best interests of the District to establish a means by which either: (1) Developer will construct or cause to have constructed by a general contractor (“Contractor”) the Improvements which the District will acquire after they have been completed; or (2) Developer will initially fund the construction and installation of the Improvements by the District subject to reimbursement as provided herein; and

WHEREAS, the District’s Service Plan authorizes the issuance of general obligation bonds in sufficient amounts to pay for all or a portion of the Improvements; and

WHEREAS, the District and Developer desire to set forth the procedures for the reimbursement of the costs related to the Improvements.

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

Service Plan for Trails Metropolitan District

COVENANTS AND AGREEMENTS

1. Improvements. Improvements constructed by Developer pursuant to the terms of this Agreement shall be eligible for acquisition by the District upon compliance by Developer with the requirements of Section 2(B). Thirty (30) days prior to commencing construction of Improvements, and one-hundred twenty (120) days prior to Developer anticipating the District to construct the Improvements, Developer shall give notice to the District of its intent to either construct the Improvements pursuant to the provisions of Section 2 of this Agreement or advance the funds for the District to construct the Improvements pursuant to Section 3 of this Agreement.

2. Construction of Improvements. Developer agrees to design, construct, and complete the Improvements in full conformance with the design standards and specifications as established and in use by the Douglas County, Colorado or other applicable entities having jurisdiction (“Governmental Entities”) pursuant to the provisions of this Agreement and if applicable, approved by a professional engineer licensed in the State of Colorado and designated by the Board to review the Improvements (“District Engineer”).

A. Procedure.

(1) Construction Contract Requirements. Any construction contract for any portion of the Improvements shall require the Contractor to provide a one (1) year warranty (or longer if required by the Governmental Entities) from the date of substantial completion on the completed Improvements and if requested by the District, a security mechanism in form approved by the District, to secure the warranty.

(2) Verification of Improvement Costs. Developer agrees to advance funds to the District to allow the District to make reasonable verification of the costs and suitability of Improvements to be acquired by the District from Developer. One of the three following procedures shall be used to verify the costs of the Project Improvements:

(a) Prior to awarding a construction contract for any Improvements, Developer shall obtain a minimum of three (3) written bids for the Improvements. Developer shall provide the District with copies of all bids received for the Improvements prior to awarding the contract(s). In the event Developer determines that the lowest responsible bidder is not the lowest bidder on a contract, Developer shall provide documentation justifying the use of the contractor selected to the District prior to awarding the contract; or

(b) Prior to requesting that the District acquire any Improvements pursuant to this Agreement, Developer shall obtain a certification of an independent engineer that the costs for the design, construction and completion of the Improvements are reasonable and comparable for similar projects as constructed in the Denver Metropolitan Area; or

(c) The Improvements shall be publicly bid in accordance with the statutory requirements for public improvements, and all rules and regulations appurtenant thereto.

B. Improvements Acquisition. Subject to the receipt of funding pursuant to Section 4 herein, the District agrees to make payment to Developer for all costs related to the Improvements, including but not limited to, all costs of design, testing, engineering, construction, and related consultant fees, plus simple interest thereon to be accrued at the rate of 8% from the date of expenditure through the date of repayment. The District shall acquire the Improvements during their warranty period, after preliminary acceptance by the appropriate entity, and prior to final acceptance, upon receipt by the District of the following:

(1) As-built drawings for the Project Improvements to be conveyed by Developer;

(2) 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 acceptable to the District;

(3) Copies of all contracts, pay requests, change orders, invoices, the final AIA payment form (or similar form) approved by the District Engineer, canceled checks and any other requested documentation to verify the amount requested; and

(4) An executed Bill of Sale or Dedication Certificate evidencing the conveyance of the Improvements to the District or other governmental entity, in substantially the form attached hereto as **Exhibit A** and incorporated herein by this reference.

(5) Execution of appropriate quit claim deeds, easement interests or other appropriate property interest for any land containing the Improvements and appurtenances, if not otherwise required to be dedicated to another entity having jurisdiction.

C. Dedication of Improvements. Improvements shall be dedicated as set forth in the District's Service Plan or as otherwise directed by the District.

3. Advance of Funds. As an alternative to Developer's construction of and the District's subsequent acquisition of the Improvements in accordance with Section 2 hereof, at Developer's election, and upon advance written notification to the District pursuant to Section 1 hereof and subject to funding pursuant to Section 4, the District may construct all or a portion of the Improvements and acquire related real property interests. If Developer requests District to construct the improvements it shall do so subject prior to receipt of funding from Developer and compliance with notice, budget and all requirements for bidding of public improvements. In the event Developer elects to have the District construct the Improvements, the District and Developer acknowledge that until the District has moneys available to fund costs related to the construction of the Improvements, Developer will advance funds to the District for the District to Service Plan for Trails Metropolitan District

undertake the design, testing, engineering, construction, related consultant fees and construction management of the Improvements (“Construction Related Expenses”). The District shall submit a certified statement of the Construction Related Expenses, prepared by its engineer to Developer. Developer agrees to advance funds to the District up to the amount of the certified Construction Related Expenses (the “Maximum Advance Amount”). Developer acknowledges that the District will be entering into contracts with engineers, architects, surveyors, accountants, managers, attorneys and others in reliance upon Developer’s commitments herein to provide funding up to the Maximum Advance Amount. The District shall provide Developer written notice if an advance is required to cover Construction Related Expenses. Developer shall provide the requested advance, subject to the Maximum Advance Amount, within fifteen (15) business days of receipt of notice requesting such advance (“Developer Advance”). Failure of Developer to provide the Developer Advance shall be a default under this Agreement.

A. Construction Contract(s). The District agrees that it will enter into a contract(s) for construction of the Improvements with the lowest responsible bidder, which contract(s) is incorporated herein by this reference (“Contract”). References to the Contract herein shall refer to the Contract as may be constituted or modified by the parties thereto and shall refer to both singular and plural.

B. Construction. The District agrees to design, construct, and complete the Improvements in full conformance with the design standards and specifications as established and in use by the District and other appropriate jurisdictions pursuant to the provisions of this Agreement and if applicable approved by a professional engineer licensed in the State of Colorado.

C. Accounting. Within forty-five (45) days of final payment on any Contract awarded pursuant to this Agreement, the District shall conduct an accounting of the funds received pursuant to this Agreement. In the event Developer Advance deposited hereunder exceeds the actual costs and expenses incurred for the Improvements, the District shall within thirty (30) days of such accounting refund such excess amounts to Developer or shall apply the remaining amounts to the unpaid balance of any other Contract.

4. Funding. The Parties agree that no payment shall be required of the District for Project Improvements constructed and/or acquired under Section 2 hereof or for Developer Advance pursuant to Section 3 hereof unless and until the District issues bonds (“Bonds”) or other appropriate instrument legally available. The Bonds or other instrument shall be secured by the collection of development fees imposed by the District pursuant to its imposition of same, general property tax revenues of the District or bond proceeds received by the District in an amount sufficient to acquire all or a portion of the completed Improvements or to reimburse Developer for all or a part of Developer Advance hereunder. The Developer acknowledges that the limit of the District’s reimbursement obligation under this Agreement shall be the amount of bond or other instrument revenues that can be obtained through collection of System Development Fees, property taxes or other revenues of the District. Developer understands and

agrees that the bonds or other instrument shall comply with state statutes and regulations for registration or exemption. In the event the District is unable to reimburse Developer for Developer Advance or the acquisition of Project Improvements within thirty (30) years of the date of the advancement, any amount of principal and accrued interest outstanding at such time shall be deemed to be forever discharged and satisfied in full. It is hereby agreed and acknowledged that this Agreement evidences an intent to reimburse Developer hereunder, but this Agreement shall not constitute a debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple fiscal year financial obligation, and the making of any reimbursement hereunder shall be at all times subject to annual appropriation by the District in its absolute discretion.

A. Payment. Payments made by the District to Developer shall credit as follows: first against accrued and unpaid interest on Developer Advance; second against the principal amount due on Developer Advance; third against accrued and unpaid interest on the acquisition of Project Improvements; and finally against the principal amount due for acquisition of Project Improvements.

B. Financial Capability of District. The financial plan attached to the Service Plan demonstrates the ability of the District to issue and repay bonds issued for the purpose of acquiring the Project Improvements and for reimbursing Developer.

5. Representations. Developer hereby represents and warrants to and for the benefit of the District:

A. That it has the full power and legal authority to enter into this Agreement;
and

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

C. 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 Developer to District for the entire term of this Agreement.

6. Term. The term of this Agreement shall extend from the date hereof through and including December 31, 2049, unless terminated earlier by the mutual written agreement of the Parties.

7. 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 address or by courier delivery, via Federal Express or other nationally recognized overnight air courier service, via facsimile with a hard copy immediately following thereafter by United States mail, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the District: Trails Metropolitan District
c/o Spencer Fane, LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203
Attn: Russ Dykstra
Phone: (303) 839-3845
Fax: (303) 839-3838

To Developer: Trails, LLC
9801 E. Easter Avenue
Centennial, CO 80112

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

8. Assignment. Developer shall not assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the District, which may approve or reject such assignment in its sole and absolute discretion. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

9. 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, specifically including suits for specific performance and/or monetary damages. 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. Failure by Developer to provide Developer Advances as required hereunder shall be a default subject to immediate termination of this Agreement by District.

10. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado, and any proceedings shall take place in Douglas County, Colorado and not elsewhere.

11. 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 permitted assigns.

12. 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.

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

14. 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.

15. 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.

16. Conditions Precedent. The performance by Developer of its obligations set forth herein shall constitute conditions precedent to the performance of the obligations of the District as set forth herein.

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

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

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

“DEVELOPER”

TRAILS, LLC,
a Colorado limited liability company

By: _____

Its: _____

“DISTRICT”

TRAILS METROPOLITAN DISTRICT,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____

President

Attest:

Secretary

EXHIBIT A

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that _____, hereinafter referred to as "Grantor," for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, paid by the Trails Metropolitan District, hereinafter referred to as the "District," a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is _____, organized and existing under the laws of the State of Colorado, County of Douglas, has bargained and sold, and by these presents, does grant and convey unto the District, its successors and assigns, all of its right, title and interest in the improvements as described below and shown on Exhibit A attached hereto and incorporated herein by this reference.

TO HAVE AND TO HOLD the same unto the District, its successors and assigns forever; and Grantor, its successors and assigns, shall warrant and defend the sale of said property, improvements, services and facilities made unto the District, its successors or assigns, against all and every person or persons whomsoever, and warrants that the conveyance of the property, improvements, services and facilities to the District, its successors or assigns, is made free from any claim or demand whatever.

IN WITNESS WHEREOF, Grantor, by and through its authorized representatives, hereby executes this Bill of Sale and sets it seal as of this ____ day of _____, 20__.

GRANTOR

STATE OF COLORADO)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____, as _____ of _____.

Witness my hand and official seal.

My commission
expires: _____

Notary Public

Exhibit K
Intergovernmental Agreements

WATER AND SEWER SERVICE AGREEMENT

This Water and Sewer Service Agreement (“**Agreement**”) is entered into to be effective as of DECEMBER 18, 2018 (the “**Effective Date**”), by and between **CITY OF AURORA, COLORADO**, a home rule municipal corporation, acting by and through its utility enterprise (“**City/Aurora Water**”), and **TRAILS, LLC**, a Colorado limited liability company (“**Trails**”).

RECITALS

- A. Capitalized terms used in this Agreement shall have the meanings set forth or as referenced on **Exhibit A** or as indicated elsewhere in this Agreement.
- B. City has the capacity to provide water and sewer service to customers outside the limits of the City, including the real property located in the County of Douglas, State of Colorado, as more specifically described on **Exhibit B** attached hereto (the “**Property**”). The City has the sole and exclusive authority to contract to furnish service outside the City limits pursuant to Section 138-223 of the city Code of the City of Aurora, Colorado.
- C. Trails has investigated matters relating to the long-term provision of water and sewer services to Trails Customers and has determined that the terms and provisions of this Agreement provide an economical, dependable and beneficial means to provide such services.
- D. City and Trails have determined that the execution and performance of this Agreement will serve a public purpose and promote the health, safety and general welfare of Trails Customers by providing for the planned and orderly provision of water and sewer service.

AGREEMENT

In consideration of the foregoing, the covenants and agreements set forth herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 CONDITIONS PRECEDENT

- 1.1 **Condition Precedent.** The obligations of Trails to complete the transactions contemplated by this Agreement are subject to the successful subdivision and zoning of the Property with the County of Douglas, Colorado, and the acquisition by Trails of the Property.
- 1.2 **Termination.** This Agreement may be terminated at any time prior to the Conveyance Date (as defined below):
 - (a) by mutual written consent of the parties;
 - (b) by Trails for any failure of the conditions outlined in Section 1.1 above.
 - (c) by either party if the Conveyance Date shall not have occurred on or before

- (d) December 31, 2021; provided, however, that the right to terminate this Agreement under this Section 1.2(c) shall not be available to any party whose breach of any obligation under this Agreement has been the cause of, or resulted in, the failure of the Conveyance Date to occur on or before such date; or
- (e) by either party if a court of competent jurisdiction or other governmental authority shall have issued an order, decree or ruling or taken any other action (which order, decree or ruling each of the parties hereto shall use all reasonable efforts to lift), in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, and such order, decree, ruling or other action shall have become final and non-appealable.

1.3 Effect of Termination. Upon the termination of this Agreement pursuant to Section 1.2, this Agreement shall forthwith become null and void without any liability or obligation on the part of any party, except to the extent that such termination results from the breach by a party of any of its representations, warranties, covenants or agreements set forth in this Agreement.

ARTICLE 2

CONVEYANCE

- 2.1 Exclusive Service.** City shall have the sole and exclusive right to furnish water and sewer services to the Property that shall contain a maximum of 139 residential single family units. City covenants and agrees to provide water and sewer services to the Property.
- 2.2 Conveyance of Water Rights.** On or about the date of the satisfaction of conditions outlined in Section 1.1 above (the “**Conveyance Date**”), Trails shall convey the Water Rights, if any, to City by special warranty, which such Water Rights shall consist of approximately 373 acre feet from the Denver Basin (12.7 acre feet of not non-tributary water and 359 acre feet of non-tributary water) . Trails agree that it will no longer own or control the Property’s groundwater.
- 2.3 Conveyance and Use of Water and Sewer System, Easements and Property Interests.** Following the Conveyance Date, Trails will construct (or caused to be constructed) and convey to City the Water and Sewer System for the purposes of and pursuant to the provisions of this Agreement, as well as dedicated utility easements, rights-of-way or other property interests held or owned by Trails, or hereafter acquired by Trails, as are required to accommodate City’s operation and maintenance of the Water and Sewer System. Easement requirements will be consistent with Aurora Water’s existing specifications and template agreements, as reasonably negotiated by Aurora Water and Trails. Trails shall reasonably cooperate with City to enable City to obtain such additional easements, rights-of-way or other property interests reasonably required to enable City to perform its obligations under this Agreement, including, without limitation, real property for water and sewer infrastructure. If City recommends or Trails requires that the location of any easements, rights-of-way or other property interests be adjusted, the parties agree to cooperatively work together on relocating easements (and any water facilities that may exist therein or that may be affected by the relocation).

- 2.4 **Limitations.** City acknowledges that, unless expressly agreed to by Trails in writing, the Water and Sewer System, the rights-of-way and any other rights of Trails with respect to the Water and Sewer System shall not be used for any business or other purpose except as permitted by this Agreement.

ARTICLE 3
WATER SOURCES

Trails, upon satisfaction of the conditions in Section 1.1, will own the water rights, as more specifically described on **Exhibit C** attached hereto, if any (the “**Water Rights**”). As set forth in Section 2.2, Trails shall convey ownership of the Water Rights to City.

ARTICLE 4
OWNERSHIP, OPERATION, AND MAINTENANCE OF FACILITIES

4.1 **Facilities and Ownership.**

- (a) **Trails Facilities.** Trails will plan, design and construct the Water and Sewer System in accordance with the City’s specifications and requirements. Once the Water and Sewer System has been fully constructed by Trails, inspected by and deemed initially acceptable by the City, the Water and Sewer System will be subject to a one year warranty. One year after initial acceptance, the Water and Sewer System will undergo a final inspection. All corrective actions must be addressed before Water and Sewer System will be finally accepted. Upon final acceptance, Trails will convey to City upon completion of the build-out of the facilities comprising the Water and Sewer System, as more specifically described on **Exhibit D** attached hereto, which Water and Sewer System will allow for City to provide water and sewer services to the Trails Customers. Upon conveyance, Trails shall transfer to City (i) ownership of and (ii) sole responsibility for financing and constructing all Facilities that now exist or may be constructed in the future to provide sewer and potable water service to Trails Customers. City and Trails hereby agree that there will be 139 total taps to be serviced by the Water and Sewer System upon build-out.
- (b) **Customer Facilities.** “**Customer Facilities**” means service pipelines, plumbing and related appurtenances necessary and appropriate to deliver potable water service and sewer service from the point of connection from the Water and Sewer System. Customer Facilities are privately owned, operated and maintained and not the obligation of the City.

4.2 **Service Commitment.** From and after the Conveyance Date and subject to the terms of this Agreement, City shall provide water and sewer services to Trails Customers using the Water and Sewer System.

4.3 **City Obligations.** City shall operate and maintain the Water and Sewer System in compliance with all applicable laws and regulations and consistent with prudent water and sewer service City practices.

- (a) **Duties.** City shall employ or contract with such engineers and/or qualified operators as it deems appropriate to perform the duties of operating the Water and

Sewer System, including providing monthly billing to Trails Customers, collection efforts and enforcement of the City Rules and Regulations.

- (b) Control of Service. Subject to the terms of this Agreement, City shall have the responsibility for and control over the details and means for providing the services hereunder.
- (c) Authorizations. City shall, at its own expense, apply for and obtain all necessary permits, licenses, and other authorizations that may be required by any governmental authority for City to operate and maintain the Water and Sewer System in accordance with the terms of this Agreement. Trails shall cooperate with and provide such reasonable assistance to City as City may request in obtaining such authorizations.

4.4 Trails Obligations.

- (a) Construction. Trails will construct the Water and Sewer System in substantial compliance with all applicable laws and regulations and in accordance with City Specifications and requirements. The water and wastewater infrastructure will be inspected by City of Aurora inspectors and will not be accepted for service until it meets the City of Aurora standards and passes applicable tests.
- (b) Contractors. To the extent Trails engages contractors, it shall require such contractors to maintain bonds and insurance, including workers' compensation insurance, in compliance with applicable laws and regulations.
- (c) Authorizations. Trails shall, at its own expense, apply for and obtain all necessary permits, licenses and other authorizations that may be required by any governmental authority with respect to the construction of the Water and Sewer System. City shall cooperate with and provide such reasonable assistance to Trails for permits under direct control of the City as Trails may request in obtaining such authorizations. Permit timing will be in accordance with standard City practices.
- (d) Plan Access. Trails shall design the Water and Sewer System in accordance with the City's specifications and submit the plans into the City's regular plan review process. Final approved drawings will be submitted to the City along with the digital version that follows the City's CAD submittal standards.
- (e) Warranty and Claims Enforcement. Trails shall timely submit and pursue any warranty, insurance, damage or other claims Trails has against a third party with respect to the Water Rights and/or Water and Sewer System.
- (f) Facility Locations. Trails will provide or make available to City copies of all "as-built" drawings for the Water and Sewer System.
- (g) Condition of Water and Sewer System. After initial acceptance, except for warranty related items (which shall remain the responsibility of Trails), City shall be solely responsible for any and all losses, liabilities, damages, costs, and claims of any and every kind whatsoever related to the existence and condition of the Water and Sewer System.

- (h) Operational. The street widths will provide a similar operational working room for maintenance of the pipelines as are provided by Aurora Water. Aurora Water will only be responsible for “patch back repairs.” The parties agree that Aurora Water will not be responsible for any milling outside of the excavation area.
- (i) Dedication of Land by Trails. Trails shall dedicate land and all necessary easements necessary for access, to the City sufficient for infrastructure including communication facilities for Aurora Water’s operations. The fee simple land conveyance shall be a least 75 feet by 75 feet and at, to the extent reasonably available taking into consideration site conditions and the overall development, the highest elevation and shall be reasonably approved by Aurora Water and Trails. The land area dedicated to Aurora Water shall be posted with signage stating, “future service infrastructure area” and Trails shall have Aurora Water approve the sign before posting.

ARTICLE 5
BILLING AND RATES, FEES AND CHARGES

- 5.1 **Rates, Fees and Charges**. City shall assess all “Rates, Fees and Charges” for the use and maintenance of the Water and Sewer System at 150% of the Rates, Fees and Charges City charges to City’s customers within the limits of City in accordance with the City Code, Rules and Regulations.
- 5.2 **Connection Fees**. Trails will be responsible for paying all applicable water and sewer connection fees as required by City Code.
- 5.3 **Billing**.
 - (a) City shall read the meters and bill Trails Customers for water and sewer services provided hereunder, including all consumption and other Rates, Fees and Charges.
 - (b) City shall be responsible for collection efforts on delinquent accounts.

ARTICLE 6
EXISTING AGREEMENTS

Trails represents and warrants to City that Trails is not a party to any existing agreements regarding the provision of water, sewer and/or the collection of rates, fees, or charges related to same. Any loss, cost, expense or damage suffered or incurred by City based on or arising from the inaccuracy of such representation and warranty, including but not limited to loss of revenues by City, shall be the responsibility of Trails and shall be payable to City on demand and such payment shall accrue interest at the statutory rate of interest as provided in C.R.S. § 13-21-101(3) until paid in full.

ARTICLE 7
RULES AND REGULATIONS

- 7.1 **Enforcement**. City shall enforce compliance with the City Rules and Regulations to the extent necessary to comply with the terms of this Agreement.

- 7.2 **Supersession.** If and to the extent there is any inconsistency between the terms, covenants or provisions hereof and the City Rules and Regulations, the terms, covenants and provisions of this Agreement shall supersede and be controlling unless otherwise mutually agreed upon in writing by the parties.

ARTICLE 8
EVENTS OF DEFAULT; REMEDIES

- 8.1 **Events of Default.** The occurrence or existence of any one or more of the following events shall be an “Event of Default” under this Agreement, and there shall be no Event of Default hereunder except as follows:

- (a) **Untrue Representations.** Any representation or warranty made by any party in this Agreement proves to have been untrue or incomplete in any material respect when made and such untruth or incompleteness would have a materially adverse effect upon the other party;
- (b) **Failure to Perform.** Any party fails in the performance of any other of its covenants in this Agreement and such failure continues for 30 days after written notice specifying such default is given by the non-defaulting party; provided, however, if the default is of a type which cannot be cured within such 30 day period, the cure period shall be extended by the non-defaulting party if the defaulting party has commenced to cure the default within 30 days and at all times thereafter actively and diligently continues to pursue the cure;
- (c) **Insolvency or Dissolution.** Proceedings under any bankruptcy law or insolvency act or for the dissolution of a party shall be instituted by or against a party, or a receiver or trustee shall be appointed for all or substantially all of the property of a party, and such proceeding shall not be dismissed or such receivership or trusteeship vacated within 60 days after such institution or appointment; provided, however, that if a party seeks to dissolve pursuant to C.R.S. § 32-1-701, *et seq.*, as amended and (i) it notifies the other party in writing concurrently with filing the application for dissolution, and (ii) the plan for dissolution shall include provisions for continuation of this Agreement with a responsible party acceptable to the other party being substituted as a party to this Agreement, and such substituted party assumes all obligations and rights of the dissolving party hereunder, then such dissolution shall not be a default.

- 8.2 **Remedies for Events of Default.**

- (a) **Enforcement Rights.** Upon the occurrence of an Event of Default, the non-defaulting party may proceed to protect and enforce its rights against the party causing the Event of Default by mandamus or such other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for damages or specific performance, or by self-help. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys’ fees and costs.

- (b) **Limited Termination Rights.** Upon the occurrence of an Event of Default, and after the non-defaulting party proceeds in accordance with Section 8.2(a), the non-defaulting party shall be permitted to terminate this Agreement only upon 60 days advance written notice to the defaulting party and only if: (i) monetary damages are not paid by the defaulting party when due or (ii) the defaulting party refuses to perform its obligations hereunder.

ARTICLE 9
TERMINATION

- 9.1 **Termination.** Except as provided in Section 8.2(b) and Section 1.2, this Agreement shall remain in force unless terminated by mutual written agreement of the parties.
- 9.2 **Compliance with Regulations.** The parties understand and agree that compliance with all applicable federal, state and local regulations must take place at all times. In the event of any termination of this Agreement, with or without cause, the parties shall cooperate to ensure that there is no gap or break in the compliance with all applicable regulations in the provision of service to Trails Customers during the transition of service.

ARTICLE 10
INDEMNIFICATION

- 10.1 **Indemnity by Trails.** To the extent authorized by law, Trails agrees to indemnify City from and against any loss, cost liability or expense (including reasonable attorneys' fees) reasonably incurred by City, including without limitation, both third-party and direct claims, arising out of or related to the negligent acts or omissions of Trails, its officers, directors, employees, agents and consultants in the course of performing Trails' obligations under this Agreement.
- 10.2 **Exclusions and Acknowledgement.** Notwithstanding the foregoing or any other indemnification provision in this Agreement, no party shall have a duty under this Agreement to indemnify and/or hold another party harmless from or against any loss, cost, liability or expense to the extent caused or contributed by the act or failure to act of the other party (including its officers, directors, employees, agents and consultants). Further, the parties hereto understand and acknowledge that Colorado law does not currently enforce indemnity clauses entered into by Colorado local governments in contracts.

ARTICLE 11
MODIFICATION OR AMENDMENT

- 11.1 **Material Change in Regulatory Conditions.** In the event any state, federal or local entity shall materially change any regulatory conditions applicable to the provision of water and sewer service under this Agreement, the parties agree that they shall expeditiously work together in good faith to modify or amend this Agreement as necessary to comply, in a commercially reasonable manner, with the changed regulations without otherwise materially changing the terms and conditions of this Agreement.

- 11.2 **Other Modifications or Amendments.** This Agreement shall not be modified or amended without the consent of both parties. No modification or amendment shall be effective unless in writing, executed by all parties.

ARTICLE 12
MISCELLANEOUS PROVISIONS

- 12.1 **Relationship of the Parties.** Nothing contained in this Agreement creates a joint venture, partnership, agency or similar endeavor between the parties. Each party is acting solely as an independent contractor, and neither party has any power or authority to directly or indirectly bind or act on behalf of the other.
- 12.2 **Liability of Parties.** Nothing contained in this Agreement, nor any obligation imposed upon a party hereunder, nor the issuance and sale of bonds by a party, shall constitute or create an indebtedness of the other party. Neither party shall have any obligation whatsoever to repay any debt or liability of the other party.
- 12.3 **Notices.** Except as otherwise provided herein, all notices required to be given under this Agreement shall be in writing and shall be hand-delivered, sent by registered or certified mail, return receipt requested, or electronically confirmed email transmission to the following addresses:

Trails, LLC
c/o Ventana Capital, Inc.
9801 East Easter Avenue
Centennial, Colorado 80112
Attention: Tom Clark

City of Aurora:
City Attorney
15151 East Alameda Parkway
Aurora, Colorado 80012

All notices will be deemed effective: if delivered by hand on the date of delivery; if mailed, three days after mailing; and, if by email, upon electronic confirmation of delivery. Any party may by written notice change the address to which future notices shall be sent.

- 12.4 **Representations.** Each party represents and warrants that:
- (a) **Authority.** It has all requisite power, corporate and otherwise, to execute, deliver and perform its obligations pursuant to this Agreement, that such actions have been duly authorized by it, and that upon execution and delivery of this Agreement, the provisions hereof will constitute its legal, valid and binding obligation, enforceable against it in accordance with the terms hereof;
 - (b) **No Litigation.** There is no action, suit, inquiry, investigation or proceeding to which it is a party, at law or in equity, which is pending or, to the best of its knowledge, threatened, in connection with any of the transactions contemplated by this Agreement wherein an unfavorable decision, ruling or finding could reasonably be expected to have a materially adverse effect on the validity or enforceability of, or its ability to perform its obligations under, this Agreement; and

(c) No Conflict. Its execution, delivery and performance of this Agreement is not in violation of, nor does it constitute an event of default under, any other contract, agreement or instrument to which it is a party.

- 12.5 Regulatory Approval.** The design, construction, operation and maintenance of the facilities to serve Trails Customers as provided for herein require that permits and approvals be obtained from various regulatory entities, including the State of Colorado, Douglas County and the City of Aurora. The parties shall cooperatively and diligently pursue obtaining said regulatory approvals in such a manner that water and sewer services contemplated by this Agreement can be provided in a timely manner. Trails shall be primarily responsible for obtaining necessary regulatory approvals for the design and construction of the Water and Sewer System in compliance with the City of Aurora standards. City shall be primarily responsible for obtaining necessary regulatory approvals for the operation and maintenance of the Water and Sewer System, including approval for needed infrastructure. The granting of such regulatory permits and approvals is beyond the direct control of the parties to this Agreement. In the event that any notice is received from a regulatory agency of a potential delay or denial in the issuance of a necessary permit or approval, the parties shall mutually cooperate to determine solutions to lessen the impact of such delay or denial.
- 12.6 No Waiver.** No party shall waive its rights hereunder by failing to exercise its rights; any such failure shall not affect the right of such party to exercise at some future time the rights not previously exercised.
- 12.7 Force Majeure.** Should any party be unable to perform any obligation required of it under this Agreement because of any cause beyond its control and not due to the party's fault or negligence, including but not limited to war, insurrection, riot, civil commotion, strikes, lockout, fire, earthquake, windstorm, drought, flood, action or inaction of governmental authorities (including the adoption of new or revised rules and regulations), moratoriums, material shortages, or any other force majeure, each party's performance of the obligation affected shall be suspended for so long as such cause prevents it from performing such obligation, without liability on its part.
- 12.8 Severability.** If any clause or provision of this Agreement is illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, then, and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby. It is also agreed that in lieu of each clause or provision of this Agreement that is illegal, invalid or unenforceable, there shall be added as a part of this Agreement a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.
- 12.9 Form.** Headings and titles of this Agreement are for convenience only and do not hold any substantive meaning.
- 12.10 Integration.** This Agreement, including the Exhibits attached hereto, shall be construed and enforced as the fully integrated expression of the parties' agreement with respect to the matters addressed. No express or implied covenant not specifically set forth herein shall be a part of this Agreement. The parties expressly aver that no representations other than those specifically set forth in this Agreement have been relied upon by either party to induce it to enter into this Agreement.

- 12.11 Third-Party Beneficiaries.** It is not the intent of the parties, nor shall it be the effect of this Agreement, to vest rights of any nature or form in individuals or entities not executing this Agreement as a party.
- 12.12 Counterparts.** This Agreement may be executed in one or more counterparts, all of which together shall constitute one and the same instrument.
- 12.13 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado and applicable federal law.
- 12.14 No Presumption.** The parties to this Agreement and their attorneys have had a full opportunity to review and participate in the drafting of the final form of this Agreement. Accordingly, this Agreement shall be construed without regard to any presumption or other rule of construction against the party causing the Agreement to be drafted.
- 12.15 Assignment.** Except for the assignment by Trails to any successor in-interest to all or any portion of the Property, as determined by Trails, this Agreement shall not be assignable by Trails or City without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.
- 12.16 Binding Effect; Covenants Run with the Land.** The covenants, terms, conditions and provisions set forth in this Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective successors and permitted assigns and shall run with the Property. This Agreement or a Memorandum of Agreement may be executed by the parties and recorded against the Property.

[Signature page and Exhibits follow]

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS
UTILITY ENTERPRISE

Bob LeGare

Bob LeGare, Mayor

12-18-18

Date

ATTEST:

Michael Lawson

Michael Lawson, Interim City Clerk

12/18/18

Date

APPROVED AS TO FORM FOR AURORA:

Christine McKenney

Christine McKenney,
Interim Client Services Manager
City Attorney Office

11/16/2018

Date

18038927
ACS #

STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 18 day of December 2018, by Bob LeGare, Mayor, acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal. Leiana Baker
Notary Public

My commission expires: 7-28-21

(SEAL)

LEIANA BAKER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20014021606
MY COMMISSION EXPIRES 07/28/2021

Exhibit A

DEFINITIONS

1. **“Agreement”** means this Water and Sewer Service Agreement by and between Trails and City, as may be supplemented or amended from time to time.
2. **“Customer Facilities”** means as defined in Section 4.1(b).
3. **“Trails”** means as defined in the first paragraph of this Agreement.
4. **“Trails Customers”** means existing and future users of water and sewer services located within the boundaries of the Property.
5. **“Rates, Fees and Charges”** means as defined in Section 5.1.
6. **“Water and Sewer System”** means the Facilities constructed by Trails and conveyed to City that provide sewer and potable water to Trails Customers.
7. **“Effective Date”** means as defined in the first paragraph of this Agreement.
8. **“Environmental Laws”** means any statute, law, ordinance, regulation, rule, judgment, decree or order of any governmental authority or court relating to any matter of pollution, protection of the environment, environmental regulation or control regarding Hazardous Substances.
9. **“Facilities”** means improvements and facilities necessary and appropriate to deliver sewer and potable water from their points of connection to Customer Facilities including, but not limited to, improvements and facilities necessary and appropriate to acquire, treat, store and deliver sewage and potable water to Facilities, including, but not limited to, wells, treatment plants, pumping stations, tanks, reservoirs, transmission pipelines, communication facilities and related appurtenances, and including, without limitation, water mains, valves, fire hydrants, manholes and related appurtenances. Facilities are designed and constructed and conveyed to City for operation and maintenance in accordance with the City Rules and Regulations.
10. **“Hazardous Substance”** means any toxic or hazardous materials, wastes or substances, defined as, or included in the definition of, “hazardous wastes,” “hazardous materials” or “toxic substances” under any Environmental Law, including, but not limited to, friable asbestos, buried contaminants, regulated chemicals, flammable explosives, radioactive materials, polychlorinated biphenyls, petroleum and petroleum products.
11. **“Property”** means as defined in Recital B.
12. **“City”** means as defined in the first paragraph of this Agreement.
13. **“City Rules and Regulations”** means the rules and regulations adopted by City, as the same may be supplemented or amended from time to time, which govern the provision of water and sewer services to Trails Customers, subject to the terms and conditions of this Agreement.
14. **“Water Rights”** means as defined in Article 3.

Exhibit B

PROPERTY DESCRIPTION

LEGAL DESCRIPTION – TRAILS FKA SMOKY HILL TRAIL ESTATES

A PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS:

BEARINGS ARE BASED ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, ASSUMED TO BEAR SOUTH 00°17'37" EAST, A DISTANCE OF 2875.73 FEET BETWEEN THE FOLLOWING DESCRIBED MONUMENTS:

- NORTHEAST CORNER OF SECTION 5 FOUND 3.25 ALUMINUM CAP PLS 38098 MATCHING MONUMENT RECORD AS FILED.

- EAST QUARTER CORNER OF SECTION 5 FOUND 3.25 ALUMINUM CAP PLS 17666 MATCHING MONUMENT RECORD AS FILED.

COMMENCING AT SAID EAST QUARTER CORNER;

THENCE NORTH 89°23'40" WEST, A DISTANCE OF 40.00 FEET TO THE NORTHEAST CORNER OF HIDDEN PINES FILING 1, RECEPTION NO. 2015070148 AND THE POINT OF BEGINNING;

THENCE NORTH 89°23'40" WEST, ALONG THE NORTHERLY LINE OF SAID HIDDEN PINES FILING 1, A DISTANCE OF 2,622.69 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION 5;

THENCE NORTH 89°15'04" WEST, ALONG THE NORTH LINE OF RECEPTION NUMBER 02057841, A DISTANCE OF 667.03 FEET TO A NUMBER 3 REBAR;

THENCE NORTH 89°14'20" WEST, ALONG THE NORTH LINE OF RECEPTION NUMBER 2017080419, A DISTANCE OF 667.44 FEET TO A NUMBER 3 REBAR;

THENCE NORTH 89°20'35" WEST, A DISTANCE OF 759.67 FEET TO THE SOUTHEAST CORNER OF LIVENGOOD HILLS, RECEPTION NO. 122187 AS MONUMENTED WITH A REBAR AND ILLEGIBLE 1" YELLOW PLASTIC CAP;

THENCE ALONG THE EASTERLY LINE OF SAID LIVENGOOD HILLS THE FOLLOWING EIGHT (8) COURSES AND DISTANCES;

1. NORTH 01°02'19" WEST, A DISTANCE OF 786.32 FEET TO A NUMBER 3 REBAR;
2. NORTH 01°00'17" WEST, A DISTANCE OF 260.0 FEET TO A NUMBER 3 REBAR;
3. NORTH 00°45'18" WEST, A DISTANCE OF 284.85 FEET TO A NUMBER 3 REBAR;
4. NORTH 00°57'03" WEST, A DISTANCE OF 349.45 FEET TO A NUMBER 3 REBAR;
5. NORTH 00°52'40" WEST, A DISTANCE OF 298.91 FEET TO A NUMBER 3 REBAR;

6. NORTH 00°53'11" WEST, A DISTANCE OF 359.79 FEET TO A NUMBER 3 REBAR;
7. NORTH 00°50'34" WEST, A DISTANCE OF 274.87 FEET TO A NUMBER 3 REBAR;
8. NORTH 01°29'58" WEST, A DISTANCE OF 162.62 FEET TO A REBAR AND ILLEGIBLE 1" YELLOW PLASTIC CAP ;

THENCE NORTH 89°24'25" EAST, A DISTANCE OF 953.09 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF SOUTH SAMPSON GULCH WAY;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING NINE (9) COURSES AND DISTANCES;

1. THENCE SOUTH 32°45'44" EAST, A DISTANCE OF 47.25 FEET;
2. THENCE NORTH 89°24'25" EAST, A DISTANCE OF 68.30 FEET;
3. THENCE ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 762.00 FEET, A CENTRAL ANGLE OF 39°02'44", WHOSE CHORD BEARS SOUTH 70°58'12" EAST A DISTANCE OF 509.29 FEET, FOR AN ARC DISTANCE OF 519.28 FEET;
4. THENCE NORTH 89°30'27" EAST, A DISTANCE OF 2,314.30 FEET;
5. THENCE ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 8,037.00 FEET, A CENTRAL ANGLE OF 04°34'07", WHOSE CHORD BEARS NORTH 87°13'23" EAST A DISTANCE OF 640.68 FEET, FOR AN ARC DISTANCE OF 640.85 FEET;
6. THENCE NORTH 84°56'19" EAST, A DISTANCE OF 106.12 FEET;
7. THENCE NORTH 89°30'46" EAST, A DISTANCE OF 37.62 FEET;
8. THENCE NORTH 85°00'55" EAST, A DISTANCE OF 88.65 FEET;
9. THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 18.00 FEET, A CENTRAL ANGLE OF 94°41'31", WHOSE CHORD BEARS SOUTH 47°38'19" EAST A DISTANCE OF 26.48 FEET, FOR AN ARC DISTANCE OF 29.75 FEET TO THE WESTERLY RIGHT-OF-WAY OF NORTH PINEY LAKE ROAD;

THENCE ALONG SAID RIGHT-OF-WAY THE FOLLOWING FIVE (5) COURSES AND DISTANCES;

1. THENCE SOUTH 00°17'34" EAST, A DISTANCE OF 42.22 FEET;
2. THENCE NORTH 89°42'26" EAST, A DISTANCE OF 25.86 FEET;
3. THENCE SOUTH 00°17'37" EAST, A DISTANCE OF 300.53 FEET;
4. THENCE SOUTH 00°41'23" WEST, A DISTANCE OF 582.71 FEET;
5. THENCE SOUTH 00°17'37" EAST, A DISTANCE OF 1,759.86 FEET TO THE POINT OF BEGINNING.

CONTAINING 12,640,269 SQUARE FEET OR 290.180 ACRES, MORE OR LESS

NOTE: SURVEY BOUNDARY DESCRIPTION IS BEING PROVIDED TO COMBINE BOTH PARCELS INTO ONE DESCRIPTION AND TO REMOVE THE EXCEPTION PARCELS IN PREPARATION OF A SUBDIVISION PLAT.

Exhibit C
TRAILS WATER RIGHTS

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

Dated MAY 02 2018

Rachael L. Erickson

Clerk of the District Court
Weld County, Colorado

DISTRICT COURT, WATER DIVISION 1, STATE OF COLORADO Weld County Courthouse 90 9 th Avenue Greeley, Colorado 80631 (970) 351-7300	DATE FILED: May 1, 2018 6:55 AM ▼ COURT USE ONLY ▼
CONCERNING THE APPLICATION FOR WATER RIGHTS OF SMOKY HILL TRAIL ESTATES, INC. IN DOUGLAS COUNTY	
Case No. 2017CW3087 FINDINGS OF FACT, CONCLUSIONS OF LAW, RULING OF THE REFEREE, AND JUDGEMENT AND DECREE OF THE WATER COURT	

A claim for groundwater was filed in this case on June 28, 2017. All matters contained in the application have been reviewed, such testimony having been taken and evidence presented as was necessary, and being otherwise fully advised on the matter, the Referee rules as follows:

FINDINGS OF FACT

1. Name, Address and Telephone Number of Applicant:

Smoky Hill Trail Estates, Inc.
4950 York Street
Denver, CO 80216
Attention: Joseph N. Huff, President
303-295-7527

2. Opposers: The City of Aurora filed a timely statement of opposition to the application. No one else filed a statement of opposition, and the time for filing statements of opposition has expired.

3. Stipulations: Applicant has entered into a stipulation with the City of Aurora, dated January 23, 2018, in which it was agreed that the City of Aurora would not oppose the entry of a decree at least as protective of its rights as the version attached to the stipulation, which this decree is.

4. Subject Matter Jurisdiction: Notice of the application was given in the manner required by law, and the Court has jurisdiction over the subject matter and over all who have standing to appear as parties, whether they have appeared or not. The land and water

rights involved herein are not included within the boundaries of a designated groundwater basin.

5. **Determination of Ground Water Rights:** Applicant is the owner of and seeks a determination of its rights to all available ground water in the Upper Dawson, Lower Dawson, Denver, Arapahoe and Laramie Fox-Hills Aquifers underlying the following parcel (the "Property"), the location of which is illustrated in the figure attached as Exhibit 1.

- a. **Property:** Consisting of approximately 291 acres located in the North half of Section 5, Township 6 South, Range 65 West of the 6th P.M., in Douglas County, Colorado, as Parcels A and B, more particularly described in Exhibits 2 and 3 attached hereto and made a part hereof.
- b. **Applicant is the sole owner of the Property.**

6. **Source:** Applicant requests the right to withdraw and use all physically and legally available water from the Denver Basin aquifers underlying the Property. The ground water to be withdrawn from the Upper Dawson aquifer underlying the boundaries of the Property is "not nontributary" ground water, as defined by Section 37-90-103(10.7), C.R.S., and as defined by 2 CCR 402-6, Rule 5. The ground water in the Lower Dawson, Denver, Arapahoe and Laramie Fox-Hills Aquifers underlying the Property is "nontributary" ground water, as defined by Section 37-90-103-(10.5), C.R.S., and as defined by 2 CCR 402-6, Rule 5.

7. **State Engineer's Determination:** On September 11, 2017, the Colorado State Engineer made his Determination of Facts with respect to each of Applicant's claims. This decree is consistent with that Determination of Facts.

8. **Date of Appropriation:** Not applicable. Pursuant to Sections 37-90-102(2) and 37-92-305(11), C.R.S., the Denver Basin ground water rights that are the subject of this application are not subject to the doctrine of prior appropriation and need not include a date of initiation of the withdrawal project.

9. **How Appropriation Was Initiated:** Not applicable. Pursuant to Sections 37-90-102(2) and 37-92-305(11), C.R.S., the Denver Basin ground water rights that are the subject of this application are not subject to the doctrine of prior appropriation.

10. **Date Water Applied to Beneficial Use:** Not applicable. Pursuant to Section 37-90-102(2), C.R.S., the Denver Basin ground water rights that are the subject of this application are not subject to the doctrine of prior appropriation.

11. **Amount and Allowed Rate of Withdrawal:** The following amounts and values conform to the State Engineer's Determination of Facts for each aquifer dated September 11, 2017.

a. **Not Nontributary Upper Dawson Aquifer:** The estimated average number of feet of saturated aquifer materials in the not nontributary Upper Dawson Aquifer underlying portions of the Property is calculated to be 40.0 feet. Pursuant to 2 CCR 402-6, Rule 6, the specific yield of the Upper Dawson Aquifer is 20 %. Based on the overlying acreage of the Property (291 acres), less the area of existing cylinders of appropriation (132 acres), and an aquifer life of 100 years, the average annual amount of available withdrawal is as follows, subject to this Court's retained jurisdiction:

Acreage (acres)	Saturated Thickness (ft)	Specific Yield	Total Amount (acre-feet)	Annual Amount (acre-feet/year)
159	40.0	0.2	1,272	12.7

An exempt well, constructed pursuant to Well Permit No. 65766, is located on the Property in order to provide water for domestic purposes to 160 acres of the Property lying in the NE1/4 of Section 5, Township 6 South, Range 65 West of the 6th P.M. Applicant reserves up to 3 acre-feet per year of the annual amount of available withdrawal from the Upper Dawson aquifer underlying the Property to the well associated with Permit No. 65766, for a total of 300 acre-feet. Therefore, the annual amount of allowed withdrawal from the not nontributary Upper Dawson Aquifer under this Decree, and subject to this Court's retained jurisdiction, is reduced to 9.7 acre feet per year, for a total amount of 972 acre-feet.

Should Applicant, or its successors-in-interest to the portion of the Property served by the exempt well associated with Well Permit No. 65766, abandon that well and its permit, this Court's retained jurisdiction may be exercised, as provided in paragraph 23.e, to amend this Decree to include the unwithdrawn portion of the 300 acre-feet reserved to Well Permit No. 65766 within the annual amount of withdrawal from the not nontributary Upper Dawson Aquifer that may be made pursuant to this Decree.

b. **Nontributary Lower Dawson Aquifer:** The estimated average number of feet of saturated aquifer materials in the nontributary Lower Dawson Aquifer underlying portions of the Property is calculated to be 40.0 feet. Pursuant to 2 CCR 402-6, Rule 6, the specific yield of the nontributary Lower Dawson Aquifer is 20 %. Based on the overlying acreage of the Property (291 acres), less the area of an existing cylinder of appropriation (23 acres), and an aquifer life of 100 years, the average annual amount of withdrawal is as follows, subject to this Court's retained jurisdiction:

Acreage (acres)	Saturated Thickness (ft)	Specific Yield	Total Amount (acre-feet)	Annual Amount (acre-feet/year)
268	40	0.2	2,144	21.4

c. **Nontributary Denver Aquifer:** The estimated average number of feet of saturated aquifer materials in the nontributary Denver Aquifer underlying portions of the Property is calculated to be 225.0 feet. Pursuant to 2 CCR 402-6, Rule 6, the specific yield of the nontributary Denver Aquifer is 17 %. Based on the overlying acreage of the Property (291 acres), less the area of an existing cylinder of appropriation (3.0 acres), and an aquifer life of 100 years, the average annual amount of withdrawal is as follows, subject to this Court's retained jurisdiction:

Acreage (acres)	Saturated Thickness (ft)	Specific Yield	Total Amount (acre-feet)	Annual Amount (acre-feet/year)
288.0	225.0	0.17	11,016	110.2

d. **Nontributary Arapahoe Aquifer:** The estimated average number of feet of saturated aquifer materials in the nontributary Arapahoe Aquifer underlying portions of the Property is calculated to be 270.0 feet. Pursuant to 2 CCR 402-6, Rule 6, the specific yield of the nontributary Arapahoe Aquifer is 17 %. Based on the overlying acreage of the Property, and an aquifer life of 100 years, the average annual amount of withdrawal is as follows, subject to this Court's retained jurisdiction:

Acreage (acres)	Saturated Thickness (ft)	Specific Yield	Total Amount (acre-feet)	Annual Amount (acre-feet/year)
291	270.0	0.17	13,357	133.6

e. **Nontributary Laramie-Fox Hills Aquifer:** The estimated average number of feet of saturated aquifer materials in the nontributary Laramie-Fox Hills Aquifer underlying portions of the Property is calculated to be 215 feet. Pursuant to 2 CCR 402-6, Rule 6, the specific yield of the nontributary Laramie-Fox Hills Aquifer is 15 %. Based on the overlying acreage of the Property, and an aquifer life of 100 years, the average annual amount of withdrawal is as follows, subject to this Court's retained jurisdiction:

Acreage (acres)	Saturated Thickness (ft)	Specific Yield	Total Amount (acre-feet)	Annual Amount (acre-feet/year)
291	215.0	.15	9,385	93.8

12. **Decreed Uses of Water:** The water withdrawn from the Upper Dawson, Lower Dawson, Denver, Arapahoe, and Laramie-Fox Hills Aquifers will be applied to the following beneficial purposes: all uses needed for the development of and supply of water to Smokey Hill Trail Estates and/or other developments, residential use, including domestic and irrigation, water and wastewater treatment, street cleaning, dust control, firefighting, commercial, industrial, irrigation, stock watering, recreation, fish and wildlife uses, storage, augmentation, replacement and exchange, including reuse and successive uses until such water has been

entirely consumed. The water may be used through immediate application to beneficial uses, for storage and subsequent application to beneficial uses, for exchange purposes, for replacement of depletions and for augmentation purposes.

13. **Names of Wells:** The names of the wells to be constructed pursuant to this Decree will be designated at the time that they are permitted and constructed. However, these water rights will be referred to collectively as the "Denver Basin Water Rights" for the purposes of this decree.

14. **Legal Description of the Wells:** Applicant may locate wells at any point within the boundaries of the Property, without the necessity of petitioning the Court for the opening of this Decree. *See* 2 CCR 402-7, Rule 11. In addition, pursuant to the provision of 2 CCR 402-7, Rule 11, the Denver Basin Water Rights may be withdrawn from existing wells. Applicant waives any 600 foot spacing requirement for wells located on the Property.

15. **Depth and Pumping Rate(s):** The depth to the bottom of each aquifer will be ascertained at the time wells are constructed to withdraw the Denver Basin Water Rights. The well depths will vary according to the actual topographical location of each of the wells and the depth of the aquifer at each location. Wells will withdraw the subject groundwater rights at rates of flow necessary to withdraw the entire decreed annual amounts of groundwater.

16. **Final Average Annual Amounts of Withdrawal:**

a. Final determination of the applicable average saturated sand thickness and resulting average annual amounts available to Applicant will be made pursuant to the retained jurisdiction of this Court, as described in paragraph 22 below. In the event that this Decree is not reopened for a further quantitative determination, the findings herein are final and controlling.

b. The allowed annual amount of withdrawal from an aquifer may exceed the allowed average annual amount of withdrawal so long as the total volume of water withdrawn from each aquifer does not exceed the product of the number of years since the date of entry of a decree in this case, times the allowed average annual amount of withdrawal. 2 CCR 402-7, Rule 8A.

17. **Source of Groundwater and Limitations on Consumption:**

a. The groundwater to be withdrawn from the Lower Dawson, Denver, Arapahoe and Laramie-Fox Hills aquifers is "nontributary groundwater" as defined in C.R.S. § 37-90-103(10.5) the withdrawal of which will not, within 100 years of continuous withdrawal, deplete the flow of a natural stream, including a natural stream as defined in C.R.S. §§ 37-82-101(2) and 37-92-102(1)(b), at an annual rate greater than 1/10 of 1% of the annual rate of withdrawal.

- i. Withdrawal of ground water from the nontributary aquifers will be subject to the relinquishment of 2% of the amount of water withdrawn as is required by Section 37-90-137(9)(b), C.R.S., and 2 CCR 402-6, Rule 8. Applicant may not consume more than 98% of the annual quantity of water withdrawn from the nontributary Lower Dawson, Denver, Arapahoe, and Laramie-Fox Hills aquifers. The relinquishment of 2% of the annual amount of water withdrawn from the stream system, as required by Rule 8 of the Denver Basin Rules, 2 CCR 402-6, may be satisfied by any method selected by the Applicant and satisfactory to the State Engineer, so long as Applicant can demonstrate that an amount equal to 2% of such withdrawals (by volume) has been relinquished to the stream system.
- b. The groundwater to be withdrawn from the Upper Dawson aquifer is “not nontributary” as defined in C.R.S. §§ 37-90-137(9)(c) and 37-90-103(10.7) and such water may not be withdrawn until such time as a plan for augmentation has been approved by this Court pursuant to a separate application.
- c. The ground water attributable to the Denver Basin Water Rights will be withdrawn at a pumping rate consistent with sound engineering principles and practices. Construction and equipping of the wells will be pursuant to the following conditions:
 - i. Ground water production from each well will be limited to the aquifer into which the well is drilled. Plain, non-perforated casing will be installed and properly grouted so as to prevent withdrawal of water from more than one aquifer.
 - ii. A totalizing flow meter will be installed on the pump discharge prior to diversion of water for beneficial uses. 2 CCR 402-7, Rule 15. Annual records of all diversions will be maintained by the Applicant and submitted to the Division Engineer upon request.
 - iii. Each well will be equipped so that the water level may be measured and monitored.
 - iv. The bore hole of each well below the surface casing will be geophysically logged prior to installation of final casing in conformance with the Statewide Nontributary Ground Water Rules. 2 CCR 402-7, Rule 9.
- d. Well permit applications will be filed with the Colorado Division of Water Resources (“State Engineer”) at such time as Applicant is ready to drill the wells to access the water rights described herein. The State Engineer shall issue well permits in accordance with C.R.S. §§ 37-90-137(4) and (10), and the decree

entered herein. Should Applicant fail to construct any well prior to the expiration of the corresponding well permit, Applicant may reapply to the State Engineer for a new well permit, and the State Engineer shall issue a new permit identical to the expired well permit.

18. **Additional Wells and Well Fields:**

a. Applicant may construct such "Additional Wells," as that term is defined pursuant to 2 CCR 402-7, Rule 4.A.1., and as may be required to maintain the annual appropriations for the New Denver Basin Water Rights determined herein, to meet water supply demands or to recover the entire amount of groundwater in the subject aquifers underlying the Property, as described herein. As Additional Wells are planned, applications shall be filed in accordance with § 37-90-137(10), C.R.S., for evaluation by the Division of Water Resources. Applicant does not seek the right under this decree to drill wells on lands other than the Property to withdraw the water rights confirmed by this decree; however, it reserves the right, on behalf of itself and its successors, to seek such authorization pursuant to 2 CCR 402-7, Rules 11 and 14 under a separate decree.

b. In considering applications for permits for Additional Wells, the State Engineer shall be bound by this decree and shall issue permits in accordance with provisions of C.R.S. § 37-90-137(10).

c. Two or more wells constructed into the same aquifer shall be considered a well field. In effecting production of water from a well field, Applicant may produce the entire amount that may be produced hereunder through any combination of wells within the well field.

d. In the event that the allowed average annual amounts of withdrawal decreed herein are adjusted pursuant to the retained jurisdiction of the Court, Applicants shall obtain permits to reflect such adjusted average annual amounts prior to withdrawing the adjusted amounts. Subsequent permits for any wells herein shall likewise reflect any such adjustment of the average annual amounts decreed herein.

CONCLUSIONS OF LAW

19. The Water Court has jurisdiction over this proceeding pursuant to C.R.S. § 37-90-137(6). This Court concludes as a matter of law that the application is one contemplated by law pursuant to C.R.S. § 37-90-137(4). The application for a decree confirming Applicant's right to withdraw and use all groundwater from the nontributary aquifers beneath the Property pursuant to C.R.S. § 37-90-137(4) should be granted, subject to the provisions of this Decree. The nature and extent of the rights to not-nontributary and nontributary groundwater determined by this Decree are defined by C.R.S. §§ 37-90-137(4), 37-90-137(9), and 37-90-

137(9)(c). The withdrawal of the groundwater in accordance with the terms of this Decree will not result in material injury to vested water rights of others.

20. The rights to groundwater confirmed by this decree shall not be administered in accordance with priority of appropriation. Such rights are not "conditional water rights" as defined by C.R.S. § 37-92-103(6), and findings of reasonable diligence are not required or applicable to the groundwater rights determined by this decree. The determination of groundwater rights by this decree need not include a date of initiation of the withdrawal of water. See C.R.S. § 37-92-305(11).

IT IS THEREFORE, ORDERED, ADJUDGED, AND DECREED THAT:

21. The Findings of Fact and Conclusions of Law are incorporated into this Decree of the Water Court.

22. **Right to Withdraw Groundwater:** The Applicant may withdraw the not nontributary and nontributary groundwater decreed herein through wells located on the Property in the average annual amounts specified by this Decree, subject to the provisions of this Decree and the retained jurisdiction of this Court. In accordance with C.R.S. § 37-90-137(9)(c), the water from the not nontributary Upper Dawson aquifer may not be withdrawn until a separate plan for augmentation has been approved by this Court.

23. **Retained Jurisdiction:**

a. The Court retains jurisdiction as necessary to adjust the average annual amount of groundwater available under the Property to conform to actual local aquifer characteristics as determined from adequate information obtained from wells, pursuant to C.R.S. § 37-92-305(11). Within 60 days after completion of any well decreed herein, or any test hole(s), Applicant or any successor in interest to these water rights shall serve copies of such log(s) upon the State Engineer.

b. At such time as adequate data are available, any person including the State Engineer may invoke the Court's retained jurisdiction to make a Final Determination of Water Right. Within four months of notice that the retained jurisdiction for such purpose has been invoked, the State Engineer shall use the information available to him to make a final determination of the water rights finding. The State Engineer shall submit such finding to the Water Court and Applicant, or its successor and assigns.

c. If no protest to such findings by the State Engineer is made within 60 days, the Final Determination of Water Rights shall be incorporated into the Decree by the Water Court. In the event of a protest, or in the event the State Engineer makes no

determination within four months, such final determination shall be made by the Water Court after notice and hearing.

d. In the interim, the Court retains jurisdiction in this matter pursuant to C.R.S. § 37-92-305(11).

e. The Court further retains jurisdiction pursuant to C.R.S. § 37-92-305(11) to amend this Decree to include the unwithdrawn portion of the 300 acre-feet reserved to Well Permit No. 65766 within the annual amount of withdrawal from the not nontributary Upper Dawson Aquifer that may be made pursuant to this Decree, should Applicant, or its successors-in-interest, abandon that well and its permit.

i. Upon notice to the State Engineer and the City of Aurora of the abandonment of both the well and Well Permit No. 65766, Applicant or its successor may invoke the Court's retained jurisdiction to amend this Decree to include the unwithdrawn portion of the 300 acre-feet reserved to Well Permit No. 65766 within the annual amount of withdrawal from the not nontributary Upper Dawson Aquifer that may be made pursuant to this Decree.

ii. Within four months of notice that the retained jurisdiction for such purpose has been invoked, the State Engineer shall use the information available to him to issue findings of fact regarding the amount of the unwithdrawn portion previously allocated to Well Permit No. 65766. The State Engineer shall submit such finding to the Water Court and Applicant, or its successor and assigns.

iii. If no protest to such findings of fact by the State Engineer is made within 60 days, the State Engineer's determination of the amount of the unwithdrawn portion of the 300 acre-feet previously reserved to Well Permit No. 65766 to be added to the annual amount of withdrawal from the not nontributary Upper Dawson Aquifer shall be incorporated into the Decree by the Water Court.

iv. In the event of a protest, or in the event the State Engineer makes no determination within four months, such final determination shall be made by the Water Court after notice and hearing.

24. The groundwater rights decreed herein are vested property rights decreed to the Applicant and shall be owned by the Applicant until such time as the Applicant expressly conveys all of the water underlying the Property, or a portion thereof, to another person or entity.

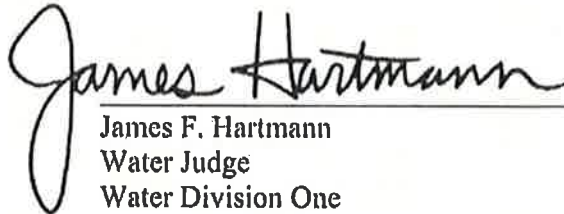
Date: April 6, 2018



John S. Cowan
Water Referee
Water Division One

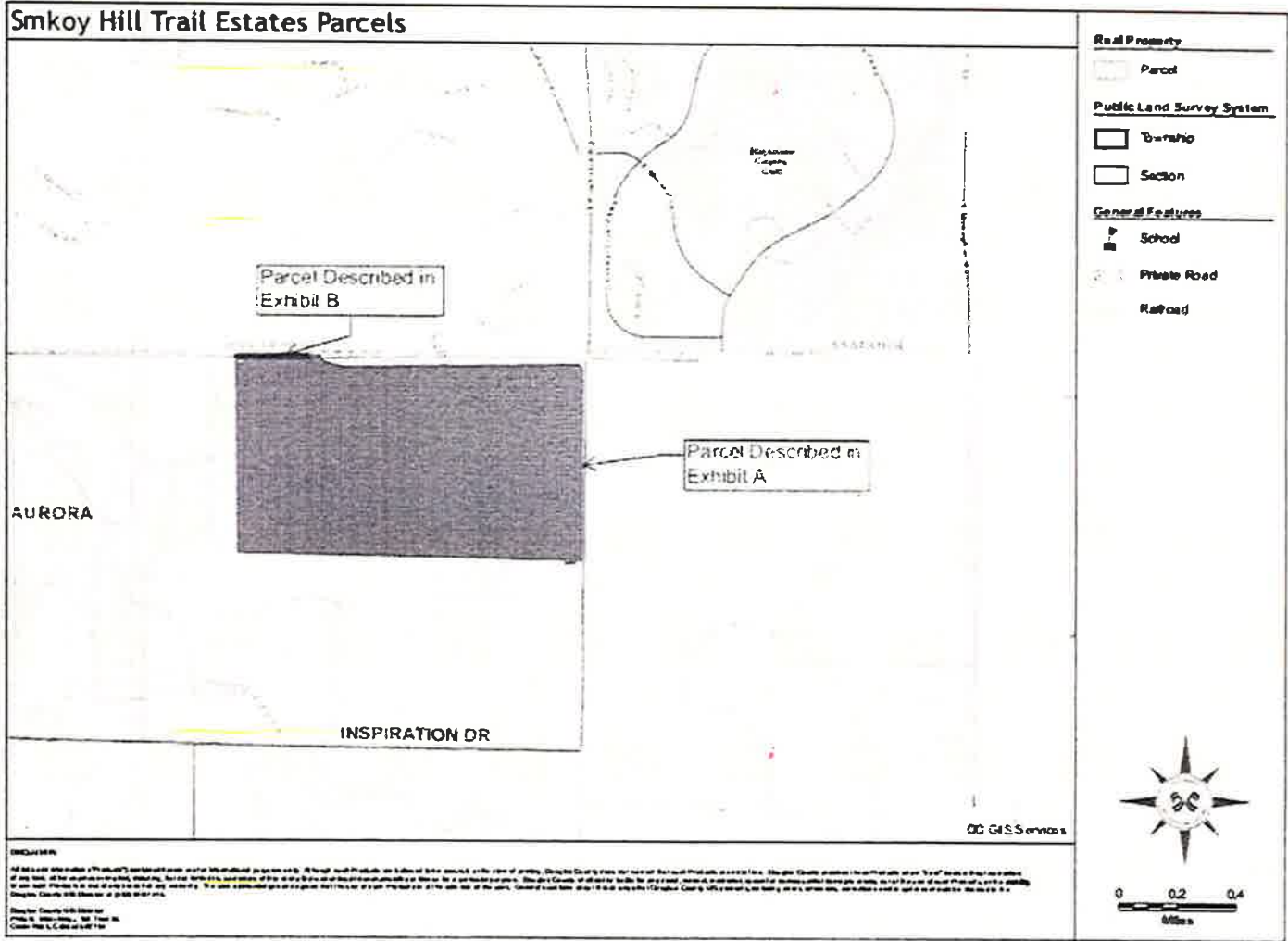
The Court finds that no protest was filed in this matter. The foregoing ruling is confirmed and approved, and is made the Judgement and Decree of this Court.

Date: May 1, 2018



James F. Hartmann
Water Judge
Water Division One

Exhibit 1 to Decree - Parcels Owned by Applicant



Smokey Hill Trail Estates, Inc.
2017CW3087

EXHIBIT 1

EXHIBIT 2 TO DECREE

PARCEL A

Beginning 40 feet N from the SW corner of Section 5, Township 6 S, Range 65 West of the 6th P.M.; thence N along the section line 2647.6 feet to the half section line; thence E 573 feet to a secondary point; thence N 2738.6 feet to a point 40 feet S of the N section line; thence 4817 feet to the E section line; thence S along the E section line 2836 feet; thence W 4766 feet to the secondary point of beginning; being the N half of Section 5, Township 6 South, Range 65 West of the 6th P.M.; Except the West 573 feet and the N 40 feet, and Except any portion lying within North Piney Lake Road, County of Douglas, State of Colorado.

EXHIBIT 3 TO DECREE

PARCEL B

A 40' WIDE PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN; COUNTY OF DOUGLAS, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5 IS ASSUMED TO BEAR S 89°58'28" E;

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 5;

THENCE ALONG THE EASTERLY LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, S 00°13'35" W, A DISTANCE OF 40.00 FEET;

THENCE N 89°58'28" W, A DISTANCE OF 30.00 FEET TO THE NORTHEAST CORNER OF TRACT 1, AS SHOWN ON THE PLAT OF SMOKY HILL TRAIL ESTATES AS RECORDED UNDER RECEPTION NUMBER LSP-830 OF THE DOUGLAS COUNTY RECORDS;

THENCE ALONG THE NORTHERLY LINE OF SAID SMOKY HILL TRAIL ESTATES THE FOLLOWING TWO (2) COURSES:

1. N 89°58'28" W, A DISTANCE OF 2690.52 FEET;
2. S 89°55'18" W, A DISTANCE OF 2067.99 FEET TO THE NORTHWEST CORNER OF SAID SMOKY HILL TRAIL ESTATES;

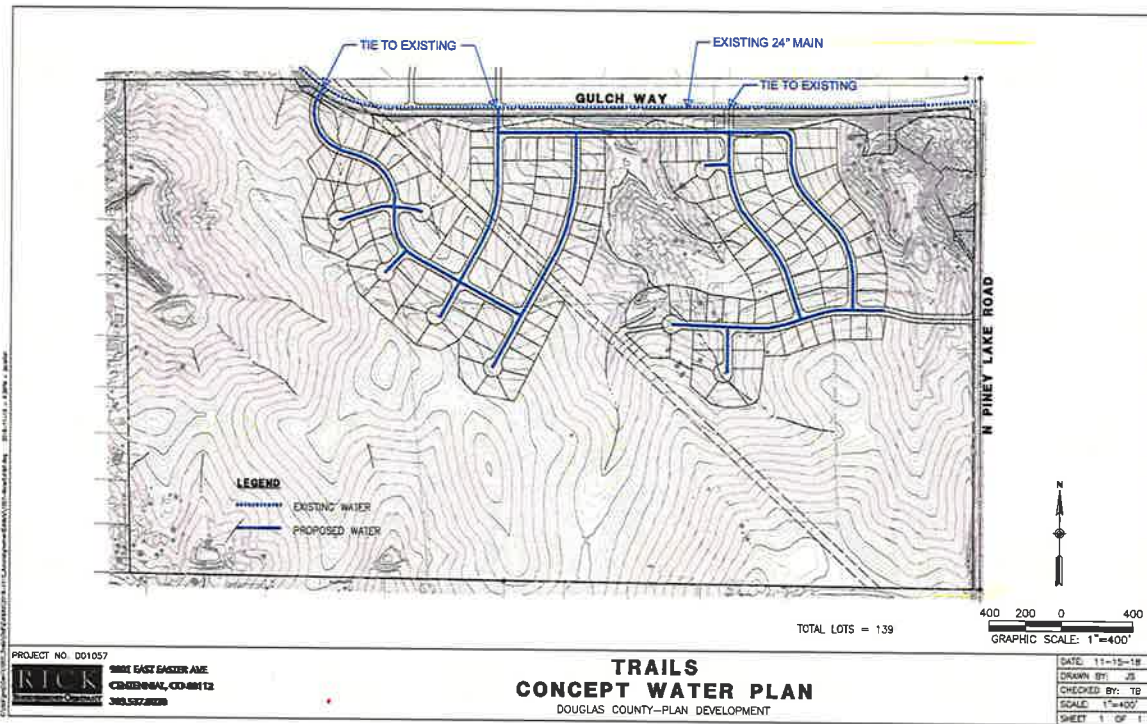
THENCE N 00°26'48" W, A DISTANCE OF 40.00 FEET TO THE NORTHERLY LINE OF SAID SECTION 5;

THENCE ALONG THE NORTHERLY LINE OF SAID SECTION 5 THE FOLLOWING TWO (2) COURSES:

1. N 89°55'18" E, A DISTANCE OF 2068.28 FEET TO THE SOUTH QUARTER CORNER OF SECTION 32, TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN;
2. S 89°58'28" E, A DISTANCE OF 2639.92 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 32;

THENCE CONTINUING ALONG THE NORTHERLY LINE OF SAID SECTION 5, S
89°58'28" E, A DISTANCE OF 80.78 FEET TO THE POINT OF BEGINNING.

Exhibit D
WATER AND SEWER SYSTEM
(As to be Built)



PROJECT NO. D01057
RICKS
 5900 EAST SASKIEN AVE
 CENTENNIAL, CO 80112
 303.537.2020

TRAILS
CONCEPT WATER PLAN
 DOUGLAS COUNTY-PLAN DEVELOPMENT

DATE: 11-15-18
 DRAWN BY: JS
 CHECKED BY: TB
 SCALE: 1"=400'
 SHEET 1 OF 1

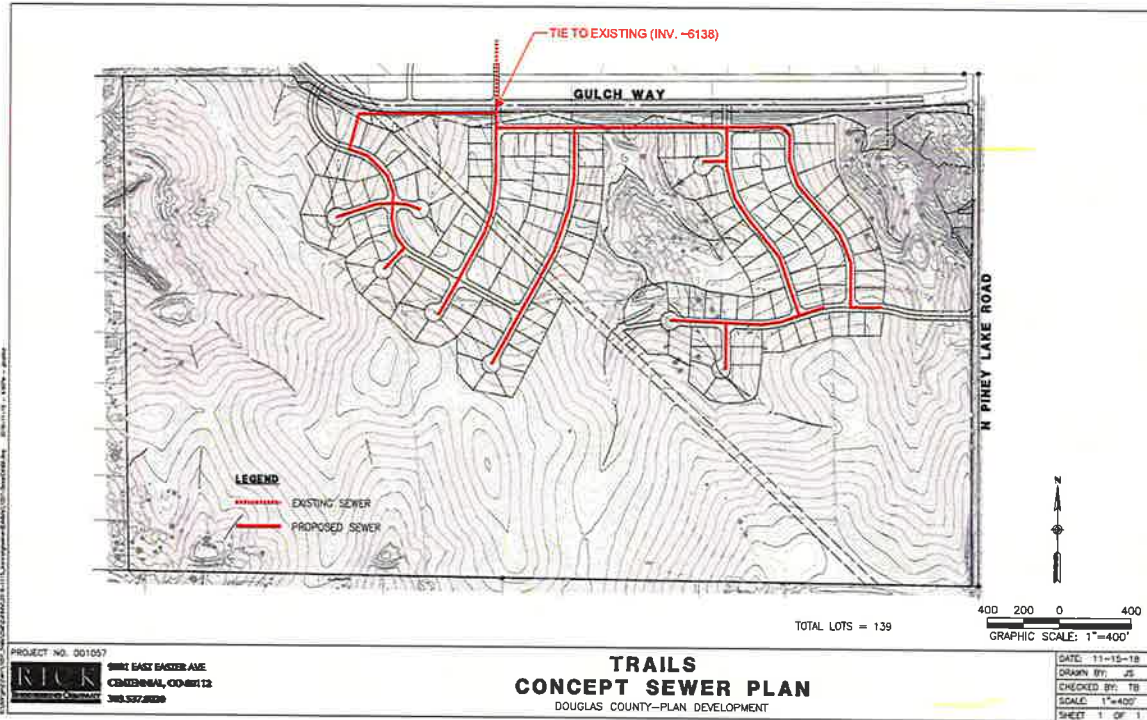


Exhibit L
Annual Report Requirements

The District shall be responsible for submitting an annual report to the County no later than August 1 of each year. The annual report shall conform to the following format:

TRAILS METROPOLITAN DISTRICT

Year ANNUAL REPORT

(For Activities Completed in Year, and With Information About Prospective Years)

- I. District Description - General Information
 - a. Board members, officers' titles, and terms
 - b. Changes in board membership in past year
 - c. Name and address for official District contact
 - d. Elections held in the past year and their purpose

- II. Boundary changes for the report year and proposed changes for the coming year

- III. List of intergovernmental agreements (existing or proposed) and a brief description of each detailing the financial and service arrangements
 - a. Contracts for operations, debt, and other contractual obligations with sub-districts or operating and taxing districts
 - b. Reimbursement agreements with developers and/or builders for advances to fund capital costs and administrative/operational and maintenance costs of the District

- IV. Service Plan
 - a. List and description of services authorized in Service Plan
 - b. List and description of facilities authorized in Service Plan
 - c. List and description of any extraterritorial services, facilities, and agreements

- V. Development Progress
- a. Indicate the estimated year of build-out, as set forth in the Service Plan
 - b. List the services provided with the date service began compared to the date authorized by the Service Plan
 - c. List changes made to the Service Plan, including when the change was authorized, when it was implemented or is expected to be implemented
 - d. List facilities to be acquired or constructed or leased back as set forth in the Service Plan and compare the date of completion or operation with the date authorized by the Service Plan
 - e. List facilities not completed. Indicate the reason for incompleteness and provide a revised schedule, if any
 - f. List facilities currently under construction with the percentage complete and an anticipated date of completion
 - g. Indicate the population of the District for the previous five (5) years and provide population projections for the next five (5) years
 - h. List the planned number of housing units by type and the number of commercial and industrial properties with respective square footage and anticipated dates of completion/operation. Compare the completed units and completed commercial and industrial properties to the amount planned in the Service Plan.
 - i. List any enterprises created by and/or operated by or on behalf of the District, and summarize the purpose of each

- VI. Financial Plan and Financial Activities
- a. Provide a copy of the audit or exemption from the audit for the reporting year.
 - b. Provide a copy of the budget, showing the reporting and previous years.
 - c. Show revenues and expenditures of the District for the previous five (5) years and provide projections for the next five (5) years. Include any non-District or non-governmental financial support. Include and list individually all fees, rates, tolls, etc., with a summary of the purpose of

each. Show other miscellaneous tax revenue, such as specific ownership taxes. For the same period, show actual and projected mill levies by purpose (showing mill levies for each individual general obligation, revenue-based obligation, or contractual obligation).

- d. List all debt that has been issued, including all individual issuances with a schedule of service until the debt is retired
- e. List individually all authorized but unissued debt, including the purpose, ballot issue letter designation and election date, and amounts authorized and unissued
- f. List the total amount of debt issued and outstanding as of the date of the annual report and compare to the maximum authorized debt level as set forth in the Service Plan
- g. Enterprises of the District
 - i. Include revenues of the enterprise, showing both direct support from the District and all other sources
 - ii. Include expenses of the enterprise, showing both direct payments to the District and all other obligations
- h. Detail contractual obligations
 - i. Describe the type of obligation, current year dollar amount, and any changes in the payment schedule, e.g. balloon payments.
 - ii. Report any inability of the District to pay current obligations that are due within the current budget year
 - iii. Describe any District financial obligations in default
- i. Actual and Assessed Valuation History
 - i. Report the annual actual and assessed valuation for the current year and for each of seven (7) years prior to current year
 - ii. For each year, compare the certified assessed value with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the certified value.

- j. Mill Levy History
 - i. Report the annual mill levy for the current year and for each of the seven (7) years prior to current year. Break the mill levies out by purpose (e.g., debt issuance and operations and maintenance)
 - ii. For each year, compare the actual mill levy with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the actual mill levies.
- k. Miscellaneous Taxes History
 - i. Report the annual miscellaneous tax revenue for the current year and for each of the seven (7) years prior to the current year. Break the tax revenue out by purpose (e.g., general operations, revenue-based obligations, debt by issue, contractual obligations, other)
 - ii. For each year, compare the actual miscellaneous tax revenue with the Service Plan estimate for that year (if provided in Plan). If the Service Plan estimates are not available, indicate the same and report the actual taxes.
- l. Estimated Assessed Valuation of District at 100% Build-Out
 - i. Provide an updated estimate and compare this with the Service Plan estimate.
- m. Estimated Amount of Additional General Obligation Debt to be Issued by the District between the End of Current Year and 100% Build-Out.
 - i. Provide an updated estimate based on current events. Do not include refunding bonds.

Exhibit M
District Court Decree

DATE FILED: November 19, 2019 7:15 PM	
DISTRICT COURT, DOUGLAS COUNTY, COLORADO 4000 Justice Way, Suite 2009 Castle Rock, Colorado 80109	
IN RE THE ORGANIZATION OF TRAILS METROPOLITAN DISTRICT	▲ COURT USE ONLY ▲
By the Court	Case Number: 2019CV030807 Division: 5
FINDINGS, ORDER AND DECREE TO CREATE DISTRICT	

THIS MATTER coming for consideration by the Court, and it appearing that the election, held on the 5th day of November, 2019, at which there was submitted the matter of the organization of Trails Metropolitan District (the "District"), Douglas County, State of Colorado, the election of Directors for such District, the questions necessary to implement the provisions of Section 20 of Article X of the Colorado Constitution, the question necessary to implement the provisions of Section 11 of Article XVIII of the Colorado Constitution as applied to the new special district, and other ballot questions, was duly held by the judges of election appointed as specified in the Order of the Court entered on the 22nd day of October, 2019;

AND IT FURTHER appearing that the required Notice of Organizational Election was duly published in compliance with the aforementioned Order in the *Douglas County News Press*, a newspaper of general circulation in the proposed District, by publication as defined in Section 32-1-103(15), 1-5-207(2), and 1-13.5-502(2)(a), C.R.S., as shown in the Publisher's Affidavit on file in this proceeding, and further that written notice was duly posted at the office of the Designated Election Official at least twenty days prior to the election and until two days after the election, all in compliance with law, and the Order of this Court; and that all of said ballots were cast at said election by eligible electors of the proposed District who were registered to vote pursuant to the Uniform Election Code of 1992 (parts 1 to 13.5 of Title 1, C.R.S.), as amended, and who either had been residents of the proposed District for not less than thirty (30) days, or who or whose spouse own taxable real or personal property situated within the boundaries of the proposed District, whether said person resides within the proposed District or not, or who or whose spouse is obligated to pay taxes under a contract to purchase taxable property within the boundaries of the proposed District.

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

NOV 27 2019



CHERYL A. LAYNE
 Clerk of the Combined Court
 By _____ Deputy

That the votes cast for Director of the District to serve until the first regular election following organization were as follows (numeric and spelled out):

CANDIDATE FOR DIRECTOR	NUMBERS OF VOTES CAST	
	Numeric	Spelled Out
Bryan Horan	4	Four
Josh Brgoch	4	Four

That the votes cast for Director of the District to serve until the second regular election following organization were as follows (numeric and spelled out):

CANDIDATE FOR DIRECTOR	NUMBERS OF VOTES CAST	
	Numeric	Spelled Out
Thomas M. Clark	4	Four
Darwin Horan	4	Four

That the votes cast for and against the ballot issue submitted were as follows (numeric and spelled out):

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE A
(Operations Tax Increase – Unlimited Mill Levy)

SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$10,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES; AND SHALL THE PROCEEDS OF SUCH TAXES AND INVESTMENT INCOME THEREON BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE IN 2019 AND IN EACH YEAR THEREAFTER, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR SECTION 29-1-301, COLORADO REVISED STATUTES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE A	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE B
(Operations and Maintenance – Fees)

SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$10,000,000 ANNUALLY OR SUCH LESSER AMOUNT AS NECESSARY TO PAY THE DISTRICT'S ADMINISTRATION, COVENANT ENFORCEMENT, DESIGN REVIEW, AND OPERATIONS AND MAINTENANCE EXPENSES, BY THE IMPOSITION OF A FEE OR FEES IMPOSED, WITHOUT LIMITATION AS TO RATE OR AMOUNT OR ANY OTHER CONDITION TO PAY SUCH EXPENSES AND SHALL THE PROCEEDS OF SUCH FEES AND ANY INVESTMENT INCOME THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2019 AND IN EACH FISCAL YEAR THEREAFTER FOR AS LONG AS THE DISTRICT CONTINUES IN EXISTENCE, SUCH AUTHORIZATION TO CONSTITUTE A VOTER-APPROVED REVENUE CHANGE WHICH MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED IN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

BALLOT ISSUE B	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE C
(Capital Costs – Ad Valorem Taxes)

SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$10,000,000 ANNUALLY AND BY THE SAME AMOUNT RAISED ANNUALLY THEREAFTER PLUS INFLATION AND LOCAL GROWTH; SUCH TAX INCREASE TO BE IN ADDITION TO ANY OTHER TAXES OF THE DISTRICT AND TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT

LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE FUNDING OF CAPITAL COSTS AND OTHER OBLIGATIONS, AUTHORIZED BY THE SERVICE PLAN, AND AS OTHERWISE AUTHORIZED UNDER APPLICABLE LAW; AND SHALL THE PROCEEDS OF SUCH TAXES AND INVESTMENT INCOME THEREON BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE IN 2019 AND IN EACH YEAR THEREAFTER, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE C	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE D
(Revenue Debt Question)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$40,000,000, WITH A REPAYMENT COST OF \$120,000,000, SUCH DEBT TO CONSIST OF BONDS OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING, OR REFINANCING, ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, SPECIAL ASSESSMENT, WATER, SANITATION, STREETS, TRAFFIC AND SAFETY, PARKS AND RECREATION, TRANSPORTATION, TELEVISION RELAY, MOSQUITO CONTROL, SECURITY, FIRE PROTECTION, OPERATIONS AND MAINTENANCE, DIRECTIONAL DRILLING, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS

THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE REVENUES DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT'S FACILITIES OR PROPERTIES; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND ALL REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE D	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE E
(Special Assessment Debt)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED BY \$40,000,000 WITH A REPAYMENT COST OF \$120,000,000; AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$120,000,000 ANNUALLY OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE AFOREMENTIONED DEBT, BY IMPOSING SPECIAL ASSESSMENTS UPON PROPERTY IN THE DISTRICT, WHICH ASSESSMENTS ARE SUBJECT TO PREPAYMENT AT THE OPTION OF THE PROPERTY OWNER, SUCH DEBT TO CONSIST OF SPECIAL ASSESSMENT BONDS OR OTHER FINANCIAL OBLIGATIONS BEARING INTEREST AT A NET EFFECTIVE INTEREST RATE NOT TO EXCEED 12% PER ANNUM; SUCH SPECIAL ASSESSMENT BONDS OR OTHER FINANCIAL OBLIGATIONS TO BE ISSUED TO PAY THE COSTS OF PROVIDING CERTAIN PUBLIC IMPROVEMENTS FOR SUCH DISTRICT, TO BE REPAID FROM THE PROCEEDS OF SPECIAL ASSESSMENTS TO BE IMPOSED UPON THE PROPERTY INCLUDED WITHIN SUCH DISTRICT; SUCH TAXES TO CONSIST OF THE AFOREMENTIONED SPECIAL ASSESSMENTS IMPOSED UPON THE PROPERTY FOR THE DISTRICT BENEFITED BY THE PUBLIC IMPROVEMENTS; AND SHALL THE PROCEEDS OF SUCH BONDS OR OTHER FINANCIAL OBLIGATIONS AND THE PROCEEDS OF SUCH ASSESSMENTS, AND INVESTMENT INCOME THEREON CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2019 AND IN EACH FISCAL YEAR THEREAFTER WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE

COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE E	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE F
(Water Debt)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$40,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$120,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING BUT NOT LIMITED TO CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING, OR REFINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TRANSMISSION, AND DISTRIBUTION SYSTEM, INCLUDING TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, IRRIGATION FACILITIES, AND PUMPING FACILITIES, WELLS, WATER TREATMENT, HYDRANTS, WATER RIGHTS, AND STORAGE FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SHALL THE DISTRICT BE AUTHORIZED TO REFUND OR REFINANCE ANY SUCH DEBT AT SUCH INTEREST RATE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, WHICH INTEREST RATE MAY BE LOWER THAN, THE SAME AS, OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD

VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE F	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE G
(Sanitation Debt)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$40,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$120,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING, OR REFINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE SANITARY SEWAGE COLLECTION AND TRANSMISSION SYSTEM, INCLUDING BUT NOT LIMITED TO COLLECTION MAINS AND LATERALS, TRANSMISSION LINES, LIFT STATIONS, TREATMENT FACILITIES, STORM SEWER, FLOOD, AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, AND DETENTION AND RETENTION PONDS, SOLID WASTE DISPOSAL FACILITIES AND SERVICES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND

EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SHALL THE DISTRICT BE AUTHORIZED TO REFUND OR REFINANCE ANY SUCH DEBT AT SUCH INTEREST RATE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, WHICH INTEREST RATE MAY BE LOWER THAN, THE SAME AS, OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE G	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE H
(Streets Debt)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$40,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$120,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING, OR REFINANCING, ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS INCLUDING, BUT NOT LIMITED TO, CURBS, GUTTERS, CULVERTS, OTHER DRAINAGE FACILITIES, SIDEWALKS, BRIDGES, PARKING FACILITIES, PAVING, LIGHTING, GRADING, LANDSCAPING, TRAILS, BIKE PATHS AND PEDESTRIAN WAYS, PEDESTRIAN PASSES, TUNNELS, BRIDGES, OVERPASSES, UNDERPASSES, INTERCHANGES, MEDIAN ISLANDS, IRRIGATION, PARKING FACILITIES, UNDERGROUNDING OF PUBLIC UTILITIES, PUBLIC ART, AND OTHER STREET IMPROVEMENTS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SHALL THE DISTRICT BE AUTHORIZED TO REFUND OR REFINANCE ANY SUCH DEBT AT SUCH INTEREST RATE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, WHICH INTEREST RATE MAY BE LOWER THAN, THE SAME AS, OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES,

ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE H	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE I
(Traffic and Safety Debt)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$40,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$120,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING, BUT NOT LIMITED TO, CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, LEASING, REIMBURSING, FINANCING, OR REFINANCING, ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM OF TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING BUT NOT LIMITED TO TRAFFIC SIGNALS, ACCESS GATES AND ENTRY MONUMENTATION, DRIVER INFORMATION AND DIRECTIONAL ASSISTANCE SIGNS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO

MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SHALL THE DISTRICT BE AUTHORIZED TO REFUND OR REFINANCE ANY SUCH DEBT AT SUCH INTEREST RATE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, WHICH INTEREST RATE MAY BE LOWER THAN, THE SAME AS, OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE I	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE J
(Parks and Recreation Debt)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$40,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$120,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING, OR REFINANCING, ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING,

INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, PARKS AND RECREATIONAL FACILITIES, IMPROVEMENTS, AND PROGRAMS, INCLUDING BUT NOT LIMITED TO PARKS, BIKE PATHS AND PEDESTRIAN WAYS, SPORTS FACILITIES, OPEN SPACE, LANDSCAPING, CULTURAL FACILITIES, COMMUNITY RECREATION CENTERS, MASONRY OR OTHER TYPES OF FENCING, MONUMENTATION, SIGNAGE, PUBLIC FOUNTAINS AND SCULPTURE, PUBLIC ART, GARDENS, PICNIC AREAS, PARK SHELTERS, SWIMMING POOL FACILITIES, CLUBHOUSE AND MEETING FACILITIES, LAKES AND PONDS OR OTHER WATER FEATURES, OUTDOOR LIGHTING OF ALL TYPES, IRRIGATION, DRAINAGE IMPROVEMENTS, WATER BODIES, IRRIGATION FACILITIES, AND OTHER ACTIVE AND PASSIVE RECREATION FACILITIES AND PROGRAMS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SHALL THE DISTRICT BE AUTHORIZED TO REFUND OR REFINANCE ANY SUCH DEBT AT SUCH INTEREST RATE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, WHICH INTEREST RATE MAY BE LOWER THAN, THE SAME AS, OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE

FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE J	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE K

(Transportation Debt)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$40,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$120,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING, OR REFINANCING, ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL, OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, INCLUDING BUT NOT LIMITED TO PUBLIC TRANSPORTATION SYSTEM IMPROVEMENTS, TRANSPORTATION EQUIPMENT, PARK AND RIDE FACILITIES, PUBLIC PARKING LOTS, STRUCTURES, ROOFS, COVERS, AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SHALL THE DISTRICT BE AUTHORIZED TO REFUND OR REFINANCE ANY SUCH DEBT AT SUCH INTEREST RATE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, WHICH INTEREST RATE MAY BE LOWER THAN, THE SAME AS, OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH

TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE K	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE L
(Television Relay Debt)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$40,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$120,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING, OR REFINANCING, ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, TELEVISION RELAY AND TRANSLATION SYSTEM IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO EQUIPMENT, FACILITIES, AND STRUCTURES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH

MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SHALL THE DISTRICT BE AUTHORIZED TO REFUND OR REFINANCE ANY SUCH DEBT AT SUCH INTEREST RATE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, WHICH INTEREST RATE MAY BE LOWER THAN, THE SAME AS, OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE L	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE M
(Mosquito Control Debt)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$40,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$120,000,000 ANNUALLY, OR BY SUCH LESSER

ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING, OR REFINANCING, ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, FACILITIES, PROPERTIES, AND EQUIPMENT FOR THE ELIMINATION AND CONTROL OF MOSQUITOES AND OTHER PESTS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SHALL THE DISTRICT BE AUTHORIZED TO REFUND OR REFINANCE ANY SUCH DEBT AT SUCH INTEREST RATE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, WHICH INTEREST RATE MAY BE LOWER THAN, THE SAME AS, OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE M	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE N
(Security Debt)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$40,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$120,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING, OR REFINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN THE BOUNDARIES OF THE DISTRICT, SECURITY SERVICES AND IMPROVEMENTS INCLUDING, BUT NOT LIMITED TO, PERIMETER AND INTERIOR SECURITY PATROLS, CONSTRUCTION OF SAFETY BARRIERS OR SIMILAR PROTECTIVE MEASURES, ACQUISITION OF SECURITY EQUIPMENT, PROTECTION OF DISTRICT PROPERTY FROM UNLAWFUL DAMAGE OR DESTRUCTION, FENCES, LIGHTING, AND OTHER SECURITY IMPROVEMENTS WHICH MAY BE NECESSARY FOR THE ORDERLY CONDUCT OF DISTRICT AFFAIRS AND FOR PROTECTION OF THE HEALTH, SAFETY, AND WELFARE OF THE DISTRICT RESIDENTS, TAXPAYERS, OFFICERS, AND EMPLOYEES, INCLUSIVE OF THE GENERAL PUBLIC, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, INCLUDING CONSTRUCTION MANAGEMENT SERVICES RELATED THERETO, OR FOR THE PURPOSE OF REFUNDING OBLIGATIONS ISSUED FOR SUCH PURPOSES, WHETHER OR NOT SUCH REFUNDING OBLIGATIONS ARE ISSUED AT A LOWER RATE, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE SOLD AT A PRICE ABOVE, BELOW OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM, AND SHALL THE DISTRICT BE AUTHORIZED TO REFUND OR REFINANCE ANY SUCH DEBT AT SUCH INTEREST RATE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, WHICH INTEREST RATE

MAY BE LOWER THAN, THE SAME AS, OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY OR SPECIAL ASSESSMENTS IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE N	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE O
(Fire Protection Debt)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$40,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$120,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING, OR REFINANCING, ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT

THE BOUNDARIES OF THE DISTRICT, FIRE PROTECTION AND AMBULANCE AND EMERGENCY MEDICAL AND RESCUE SERVICES FACILITIES AND IMPROVEMENTS, AND DIVING AND GRAPPLING STATIONS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SHALL THE DISTRICT BE AUTHORIZED TO REFUND OR REFINANCE ANY SUCH DEBT AT SUCH INTEREST RATE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, WHICH INTEREST RATE MAY BE LOWER THAN, THE SAME AS, OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE O	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE P
(Operations and Maintenance Debt)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$40,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$120,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING, OR REFINANCING ALL OR PART OF THE COSTS OF OPERATING, MAINTAINING,

OR OTHERWISE PROVIDING SYSTEMS, OPERATIONS, MANAGEMENT SERVICES CONTRACTS, AND ADMINISTRATION TO CARRY OUT THE OBJECTS AND PURPOSES FOR WHICH THE DISTRICT WAS ORGANIZED, TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT PROPERTIES, FACILITIES, EQUIPMENT, PERSONNEL, CONTRACTORS, CONSULTANTS, AND COSTS AND ALL LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SHALL THE DISTRICT BE AUTHORIZED TO REFUND OR REFINANCE ANY SUCH DEBT AT SUCH INTEREST RATE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, WHICH INTEREST RATE MAY BE LOWER THAN, THE SAME AS, OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED

REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE P	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE Q
(Directional Drilling Debt)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED BY \$40,000,000 WITH A REPAYMENT COST OF \$120,000,000, AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$120,000,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING, REFINANCING, OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, FACILITIES AND IMPROVEMENTS FOR INCREMENTAL DIRECTIONAL DRILLING OF OIL AND GAS WELLS DRILLED WITHIN THE GREATER WATTENBERG AREA, AS THAT TERM IS DEFINED IN SECTION 24-65.5-102, C.R.S., AS IT CURRENTLY EXISTS OR MAY BE AMENDED IN THE FUTURE, TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, AND SHALL THE DISTRICT BE AUTHORIZED TO REFUND OR REFINANCE ANY SUCH DEBT AT SUCH INTEREST RATE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, WHICH INTEREST RATE MAY BE LOWER THAN, THE SAME AS, OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, SUCH DEBT TO BE PAID FROM

ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF SPECIAL ASSESSMENTS AND AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING SUCH DEBT; ALL OF THE ABOVE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

BALLOT ISSUE Q	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE R
(Refunding)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$80,000,000, WITH A REPAYMENT COST OF \$240,000,000; AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$240,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS ISSUED OR INCURRED FOR THE PURPOSE OF REFUNDING, PAYING, OR DEFEASING, IN WHOLE OR IN PART, BONDS, NOTES, OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH DEBT TO BEAR INTEREST AT A RATE TO BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, WHICH INTEREST RATE MAY BE THE SAME AS OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, BUT NOT IN EXCESS OF 12% PER ANNUM; SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF

SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE R	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE S
(Reimbursement Agreements as Debt)

SHALL TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$40,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$120,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT; SUCH DEBT TO CONSIST OF A REIMBURSEMENT AGREEMENT WITH ONE OR MORE PRIVATE OR GOVERNMENTAL ENTITIES WHICH CONTRACT WILL CONSTITUTE A MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION AND WHICH WILL OBLIGATE THE DISTRICT TO PAY THE COSTS OF REIMBURSEMENT TO SUCH ENTITY OR ENTITIES FOR ADVANCES MADE TO AND COSTS INCURRED ON BEHALF OF THE DISTRICT FOR THE PURPOSES OF

ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING, AND THE COSTS OF OPERATING AND MAINTAINING, CERTAIN WATER, STREET, TRAFFIC AND SAFETY, TELEVISION RELAY AND TRANSLATION, TRANSPORTATION, PARK AND RECREATION, FIRE PROTECTION, MOSQUITO CONTROL, SANITATION, AND SECURITY FACILITIES AND IMPROVEMENTS AND THE PROVISION OF COVENANT ENFORCEMENT, INCLUDING ADMINISTRATIVE COSTS OF THE DISTRICT, ALL AS MAY BE PROVIDED IN SUCH CONTRACT; SUCH CONTRACTUAL OBLIGATIONS TO BE WITHOUT LIMIT AS TO TERM; SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, AND SHALL THE DISTRICT BE AUTHORIZED TO REFUND OR REFINANCE ANY SUCH DEBT AT SUCH INTEREST RATE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, WHICH INTEREST RATE MAY BE LOWER THAN, THE SAME AS, OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE S	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE T
(De-TABOR)

SHALL TRAILS METROPOLITAN DISTRICT BE AUTHORIZED TO COLLECT, RETAIN, AND SPEND THE FULL AMOUNT OF ALL TAXES, TAX INCREMENT REVENUES, TAP FEES, PARK FEES, FACILITY FEES, SERVICE CHARGES, INSPECTION CHARGES, ADMINISTRATIVE CHARGES, GRANTS OR ANY OTHER FEE, RATE, TOLL, PENALTY, OR CHARGE AUTHORIZED BY LAW OR CONTRACT TO BE IMPOSED, COLLECTED OR RECEIVED BY THE DISTRICT DURING 2019 AND EACH FISCAL YEAR THEREAFTER, SUCH AMOUNTS TO CONSTITUTE A VOTER APPROVED REVENUE CHANGE AND BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE RAISING, OR OTHER LIMITATION CONTAINED IN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., IN ANY SUBSEQUENT YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

BALLOT ISSUE T	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE U
(TABOR non-ad valorem tax revenues)

SHALL TRAILS METROPOLITAN DISTRICT BE AUTHORIZED TO COLLECT, RETAIN, AND SPEND ANY AND ALL AMOUNTS ANNUALLY FROM ANY REVENUE SOURCES WHATSOEVER OTHER THAN AD VALOREM TAXES, INCLUDING BUT NOT LIMITED TO TAP FEES, FACILITY FEES, SERVICE CHARGES, INSPECTION CHARGES, ADMINISTRATIVE CHARGES, GRANTS, OR ANY OTHER FEE, RATE, TOLL, PENALTY, INCOME, OR CHARGE IMPOSED, COLLECTED, OR AUTHORIZED BY LAW OR CONTRACT TO BE IMPOSED, COLLECTED AND RECEIVED BY THE DISTRICT,

DURING 2019 AND EACH FISCAL YEAR THEREAFTER, AND SHALL SUCH REVENUES BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE U	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE V
(Mortgage)

SHALL TRAILS METROPOLITAN DISTRICT BE AUTHORIZED TO ISSUE, CREATE, EXECUTE, AND DELIVER MORTGAGES, LIENS, AND OTHER ENCUMBRANCES ON DISTRICT REAL AND PERSONAL PROPERTY, WHETHER NOW OWNED OR HEREAFTER ACQUIRED, AND INCLUDING WATER AND WATER RIGHTS, SUCH ENCUMBRANCES TO BE IN THE TOTAL PRINCIPAL AMOUNT OF NOT MORE THAN \$40,000,000, PLUS INTEREST THEREON AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS TO BE NECESSARY OR APPROPRIATE IN CONNECTION WITH THE ISSUANCE OF BONDS, NOTES, CONTRACTS, OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH ENCUMBRANCES TO BE CREATED FOR THE PURPOSE OF PROVIDING ADDITIONAL SECURITY FOR DISTRICT FINANCIAL OBLIGATIONS, AND TO BE CREATED AT ONE TIME OR FROM TIME TO TIME; SUCH MORTGAGES, LIENS, OR OTHER ENCUMBRANCES TO ENTITLE THE OWNER OR BENEFICIARY THEREOF TO FORECLOSE UPON AND TAKE TITLE TO AND POSSESSION OF THE DISTRICT PROPERTY SO ENCUMBERED, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE SUCH COVENANTS REGARDING THE USE OF THE ENCUMBERED PROPERTY AND OTHER MATTERS ARISING UNDER THE ENCUMBRANCE, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT?

BALLOT ISSUE V	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE W
 (Intergovernmental Agreement Authorization)

SHALL TRAILS METROPOLITAN DISTRICT BE AUTHORIZED TO ENTER INTO ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE FOR THE PURPOSE OF JOINTLY FINANCING THE COSTS OF ANY PUBLIC IMPROVEMENTS, FACILITIES, SYSTEMS, PROGRAMS, OR PROJECTS WHICH THE DISTRICT MAY LAWFULLY PROVIDE, OR FOR THE PURPOSE OF PROVIDING FOR THE OPERATIONS AND MAINTENANCE OF THE DISTRICT AND ITS FACILITIES AND PROPERTIES, WHICH AGREEMENT MAY CONSTITUTE A DEBT OR INDEBTEDNESS AND A MULTIPLE-FISCAL YEAR OBLIGATION OF THE DISTRICT TO THE EXTENT PROVIDED THEREIN AND OTHERWISE AUTHORIZED BY LAW, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE COVENANTS REGARDING THE ESTABLISHMENT AND USE OF AD VALOREM TAXES, RATES, FEES, TOLLS, PENALTIES, AND OTHER CHARGES OR REVENUES OF THE DISTRICT, AND COVENANTS, REPRESENTATIONS, AND WARRANTIES AS TO OTHER MATTERS ARISING UNDER THE AGREEMENTS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT?

BALLOT ISSUE W	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE X
 (Multi-Fiscal Year IGA)

SHALL TRAILS METROPOLITAN DISTRICT BE AUTHORIZED TO ENTER INTO ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE FOR THE PURPOSE OF JOINTLY FINANCING THE COSTS OF ANY PUBLIC IMPROVEMENTS, FACILITIES, SYSTEMS, PROGRAMS, OR PROJECTS WHICH THE DISTRICT MAY LAWFULLY PROVIDE, OR FOR THE PURPOSE OF PROVIDING FOR THE OPERATIONS AND MAINTENANCE OF THE DISTRICT AND ITS FACILITIES AND PROPERTIES, WHICH AGREEMENT MAY CONSTITUTE A DEBT OR INDEBTEDNESS AND A MULTIPLE-FISCAL YEAR OBLIGATION OF THE DISTRICT TO THE EXTENT PROVIDED THEREIN AND OTHERWISE AUTHORIZED BY LAW, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE COVENANTS REGARDING THE ESTABLISHMENT AND USE OF AD VALOREM TAXES, RATES, FEES, TOLLS, PENALTIES, AND OTHER CHARGES OR REVENUES OF THE DISTRICT, AND COVENANTS, REPRESENTATIONS, AND WARRANTIES AS TO OTHER MATTERS

ARISING UNDER THE AGREEMENTS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT?

BALLOT ISSUE X	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT ISSUE Y
(Master IGA and Private Parties)

SHALL TRAILS METROPOLITAN DISTRICT BE AUTHORIZED TO ENTER INTO ONE OR MORE CONTRACTS WITH PRIVATE PARTIES, OR ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH THE STATE OR ANY POLITICAL SUBDIVISIONS OF THE STATE FOR THE PURPOSE OF JOINTLY FINANCING THE COSTS OF ANY PUBLIC IMPROVEMENTS, FACILITIES, SYSTEMS, PROGRAMS, OR PROJECTS WHICH THE DISTRICT MAY LAWFULLY PROVIDE, OR FOR THE PURPOSE OF PROVIDING FOR THE OPERATIONS AND MAINTENANCE OF THE DISTRICT AND ITS FACILITIES AND PROPERTIES, WHICH AGREEMENT MAY CONSTITUTE A DEBT OR INDEBTEDNESS AND A MULTIPLE-FISCAL YEAR OBLIGATION OF THE DISTRICT TO THE EXTENT PROVIDED THEREIN AND OTHERWISE AUTHORIZED BY LAW, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE COVENANTS REGARDING THE ESTABLISHMENT AND USE OF AD VALOREM TAXES, RATES, FEES, TOLLS, PENALTIES, AND OTHER CHARGES OR REVENUES OF THE DISTRICT, AND COVENANTS, REPRESENTATIONS, AND WARRANTIES AS TO OTHER MATTERS ARISING UNDER THE AGREEMENTS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT?

BALLOT ISSUE Y	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT QUESTION Z
(Organize District)

Shall Trails Metropolitan District be organized as a Special District pursuant to Article 1 of Title 32, C.R.S.?

BALLOT QUESTION Z	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT QUESTION AA
(Term Limits Elimination)

Shall members of the Board of Directors of Trails Metropolitan District be authorized to serve without limitation on their terms of office pursuant to the right granted to the voters of the District in Article XVIII, Section 11 of the Colorado Constitution to lengthen, shorten, or eliminate the limitations on the terms of office imposed by such Section?

BALLOT QUESTION AA	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT QUESTION BB
(Transportation Authorization)

Shall Trails Metropolitan District be authorized to exercise the power to establish, maintain, and operate a system to transport the public by bus, rail, or any other means of conveyance, or any combination thereof, and may the District contract to undertake such activities?

BALLOT QUESTION BB	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

TRAILS METROPOLITAN DISTRICT BALLOT QUESTION CC
(Cable Television Authorization)

Shall Trails Metropolitan District be allowed to engage, offer to engage or contract with a private provider to engage in the provision of cable television service, telecommunications service, or advanced service to subscribers within the District's service area, as such services are defined in Article 27 of Title 29, C.R.S.?

BALLOT QUESTION CC	NUMBER OF VOTES CAST	
	Numeric	Spelled Out
YES	4	Four
NO	0	Zero

AND IT FURTHER appearing that the election was held in accordance with Articles 1 to 13.5 of Title 1, C.R.S. (the Uniform Election Code of 1992, as amended), Article 1 of Title 32, C.R.S. (the Special District Act), the Election Rules of the Colorado Secretary of State, Section 20 of Article X of the Colorado Constitution, and other relevant law;

AND IT FURTHER appearing that all of the provisions of law, and more particularly all of the requirements of Title 32, Article 1, Part 3, Colorado Revised Statutes, as amended, have been complied with, met and performed, in the organization of the District;

AND the Court being fully advised in the premises, hereby FINDS, ORDERS AND DECREES that:

The District has been duly and regularly organized and shall be known as "Trails Metropolitan District," Douglas County, State of Colorado. The organization of the "Trails Metropolitan District" shall be effective as of the date of this Order as set forth below.

Said District shall be a quasi-municipal corporation and political subdivision of the State of Colorado with all the powers thereof. The facilities, services, programs, and financial arrangements of the District shall conform as far as practicable to the approved Service Plan and Resolution of the Board of County Commissioners of the County of Douglas, Colorado, approving the Service Plan for Trails Metropolitan District (the "Service Plan"). The approved Service Plan and Resolution of Approval required by Title 32, Article 1, Part 2, Colorado Revised Statutes, as amended, previously filed in the within action shall be and the same are hereby incorporated by reference in this Order, and may be amended in the future as provided by law.

In accordance with Section 32-1-305.5(5), C.R.S., and under the authority of the Clerk of the Court, the Designated Election Official shall provide a certificate of election to the directors elected.

The Court finds that the ballot questions and ballot issues set forth above passed.

The members of the Board of Directors of the District and their lawful successors shall hereafter take such actions and proceedings as are necessary for the governance of the District as the needs of the District require.

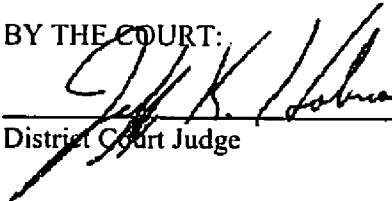
The District shall have and exercise, through its Board of Directors and officers, all of the powers and authorities conferred upon special districts under and by virtue of the provisions of

Article 1, Title 32, C.R.S., and all laws relating thereto, and all powers and authorities as may hereafter be conferred by law, except as limited by the Service Plan.

The District shall consist of approximately 291 acres. All of the Property is located entirely within the Douglas County, Colorado, more particularly described as provided in **Exhibit A**, attached hereto and incorporated herein by reference.

DONE IN COURT this 19th day of November, 2019.

BY THE COURT:



District Court Judge

EXHIBIT A
LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS:

BEARINGS ARE BASED ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, ASSUMED TO BEAR SOUTH 00°17'37" EAST, A DISTANCE OF 2875.73 FEET BETWEEN THE FOLLOWING DESCRIBED MONUMENTS:

- NORTHEAST CORNER OF SECTION 5 FOUND 3.25 ALUMINUM CAP PLS 38098 MATCHING MONUMENT RECORD AS FILED.
- EAST QUARTER CORNER OF SECTION 5 FOUND 3.25 ALUMINUM CAP PLS 17666 MATCHING MONUMENT RECORD AS FILED.

COMMENCING AT SAID EAST QUARTER CORNER;

THENCE NORTH 89°23'40" WEST, A DISTANCE OF 40.00 FEET TO THE NORTHEAST CORNER OF HIDDEN PINES FILING 1, RECEPTION NO. 2015070148 AND THE POINT OF BEGINNING;

THENCE NORTH 89°23'40" WEST, ALONG THE NORTHERLY LINE OF SAID HIDDEN PINES FILING 1, A DISTANCE OF 2,622.69 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION 5;

THENCE NORTH 89°15'04" WEST, ALONG THE NORTH LINE OF RECEPTION NUMBER 02057841, A DISTANCE OF 667.03 FEET TO A NUMBER 3 REBAR;

THENCE NORTH 89°14'20" WEST, ALONG THE NORTH LINE OF RECEPTION NUMBER 2017080419, A DISTANCE OF 667.44 FEET TO A NUMBER 3 REBAR;

THENCE NORTH 89°20'35" WEST, A DISTANCE OF 759.67 FEET TO THE SOUTHEAST CORNER OF LIVENGOOD HILLS, RECEPTION NO. 122187 AS MONUMENTED WITH A REBAR AND ILLEGIBLE 1" YELLOW PLASTIC CAP;

THENCE ALONG THE EASTERLY LINE OF SAID LIVENGOOD HILLS THE FOLLOWING EIGHT (8) COURSES AND DISTANCES;

1. NORTH 01°02'19" WEST, A DISTANCE OF 786.32 FEET TO A NUMBER 3 REBAR;
2. NORTH 01°00'17" WEST, A DISTANCE OF 260.0 FEET TO A NUMBER 3 REBAR;
3. NORTH 00°45'18" WEST, A DISTANCE OF 284.85 FEET TO A NUMBER 3 REBAR;
4. NORTH 00°57'03" WEST, A DISTANCE OF 349.45 FEET TO A NUMBER 3 REBAR;
5. NORTH 00°52'40" WEST, A DISTANCE OF 298.91 FEET TO A NUMBER 3 REBAR;
6. NORTH 00°53'11" WEST, A DISTANCE OF 359.79 FEET TO A NUMBER 3 REBAR;
7. NORTH 00°50'34" WEST, A DISTANCE OF 274.87 FEET TO A NUMBER 3 REBAR;
8. NORTH 01°29'58" WEST, A DISTANCE OF 162.62 FEET TO A REBAR AND ILLEGIBLE 1" YELLOW PLASTIC CAP;

THENCE NORTH 89°24'25" EAST, A DISTANCE OF 953.09 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF SOUTH SAMPSON GULCH WAY;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING NINE (9) COURSES AND DISTANCES;

1. THENCE SOUTH 32°45'44" EAST, A DISTANCE OF 47.25 FEET;
2. THENCE NORTH 89°24'25" EAST, A DISTANCE OF 68.30 FEET;
3. THENCE ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 762.00 FEET, A CENTRAL ANGLE OF 39°02'44", WHOSE CHORD BEARS SOUTH 70°58'12" EAST A DISTANCE OF 509.29 FEET, FOR AN ARC DISTANCE OF 519.28 FEET;
4. THENCE NORTH 89°30'27" EAST, A DISTANCE OF 2,314.30 FEET;
5. THENCE ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 8,037.00 FEET, A CENTRAL ANGLE OF 04°34'07", WHOSE CHORD BEARS NORTH 87°13'23" EAST A DISTANCE OF 640.68 FEET, FOR AN ARC DISTANCE OF 640.85 FEET;
6. THENCE NORTH 84°56'19" EAST, A DISTANCE OF 106.12 FEET;
7. THENCE NORTH 89°30'46" EAST, A DISTANCE OF 37.62 FEET;
8. THENCE NORTH 85°00'55" EAST, A DISTANCE OF 88.65 FEET;
9. THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 18.00 FEET, A CENTRAL ANGLE OF 94°41'31", WHOSE CHORD BEARS SOUTH 47°38'19" EAST A DISTANCE OF 26.48 FEET, FOR AN ARC DISTANCE OF 29.75 FEET TO THE WESTERLY RIGHT-OF-WAY OF NORTH PINEY LAKE ROAD;

THENCE ALONG SAID RIGHT-OF-WAY THE FOLLOWING FIVE (5) COURSES AND DISTANCES;

1. THENCE SOUTH 00°17'34" EAST, A DISTANCE OF 42.22 FEET;
2. THENCE NORTH 89°42'26" EAST, A DISTANCE OF 25.86 FEET;
3. THENCE SOUTH 00°17'37" EAST, A DISTANCE OF 300.53 FEET;
4. THENCE SOUTH 00°41'23" WEST, A DISTANCE OF 582.71 FEET;
5. THENCE SOUTH 00°17'37" EAST, A DISTANCE OF 1,759.86 FEET TO THE POINT OF BEGINNING.

CONTAINING 12,640,269 SQUARE FEET OR 290.180 ACRES, MORE OR LESS

NOTE: SURVEY BOUNDARY DESCRIPTION IS BEING PROVIDED TO COMBINE BOTH PARCELS INTO ONE DESCRIPTION AND TO REMOVE THE EXCEPTION PARCELS IN PREPARATION OF A SUBDIVISION PLAT.

RECEIVED

MAY 04 2020

Div of Local Government

Ref: #2019060202, Date: 9/17/2019 10:22 AM,
 Pages: 1 of 5,
 Douglas County, CO, Merlin Klotz, Clerk and Recorder

RESOLUTION NO. R-019-100
THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO

A RESOLUTION APPROVING THE SERVICE PLAN OF
TRAILS METROPOLITAN DISTRICT

WHEREAS, on July 12, 2019, a service plan for the proposed Trails Metropolitan District ("Service Plan") was filed with the Douglas County Clerk and Recorder ("Clerk"), and the Clerk, on behalf of the Board of County Commissioners ("Board"), mailed a Notice of Filing of Special District Service Plan to the Division of Local Government in the Department of Local Affairs on July 15, 2019; and

WHEREAS, on August 5, 2019, the Douglas County Planning Commission recommended approval of the Service Plan to the Board; and

WHEREAS, on August 27, 2019, the Board set a public hearing on the Service Plan for September 10, 2019 ("Public Hearing"), and ratified: (1) publication of the notice of the date, time, location and purpose of such Public Hearing, which was published in *The Douglas County News-Press* on August 15, 2019; and (2) notice of the date, time and location of the Public Hearing which was mailed on August 13, 2019, to the governing body of the existing municipalities and special districts which have levied an *ad valorem* tax within the next preceding tax year and which have boundaries within a radius of three miles of the proposed boundaries of Trails Metropolitan District ("District") and, on August 13, 2019, to the petitioners and to the property owners, pursuant to the provisions of § 32-1-204(1.5), C.R.S.; and

WHEREAS, on September 10, 2019, a Public Hearing on the Service Plan was opened at which time all interested parties, as defined in § 32-1-204, C.R.S., were afforded an opportunity to be heard, and all testimony and evidence relevant to the Service Plan and the organization of the proposed District was heard, received and considered.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS, STATE OF COLORADO, THAT:

Section 1. The Board does hereby determine that all procedural requirements of §§ 32-1-201, *et seq.*, C.R.S., relating to the Service Plan have been fulfilled and that the Board has jurisdiction in the matter.

Section 2. The Board does hereby find:

(a) that there is sufficient existing and projected need for organized service in the area to be serviced by the proposed District; and

(b) that the existing service in the area to be served by the proposed District is inadequate for present and projected needs; and

(c) that the proposed District is capable of providing economical and sufficient service to the area within the proposed boundaries; and

(d) that the area to be included in the proposed District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis; and

(e) that adequate service is not, or will not be, available to the area through Douglas County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis; and

(f) that the facility and service standards of the proposed District are compatible with the facility and service standards of Douglas County and each municipality which is an interested party under § 32-1-204, C.R.S.; and

(g) that the proposal is in substantial compliance with the Douglas County Comprehensive Master Plan; and

(h) that the proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area; and

(i) that the creation of the proposed District will be in the best interests of the area proposed to be served; and

(j) that the Service Plan, based upon the statements set forth in the Service Plan and upon all evidence presented at the Public Hearing on the Service Plan, meets all conditions and requirements of §§ 32-1-201, *et seq.*, C.R.S.

Section 3. The Board hereby approves the Service Plan without conditions; provided, however, that such action shall not imply the approval of any land development activity within the proposed District or its service area, or of any specific number of buildable units identified in the Service Plan, unless the Board has approved such development activity as part of a separate development review process.

Section 4. The legal description of the District shall be as provided in Exhibit A, attached hereto and incorporated herein by reference.

Section 5. A certified copy of this resolution shall be filed in the records of Douglas County.

PASSED AND ADOPTED this 10th day of September, 2019, in Castle Rock, Douglas County, Colorado.

THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO

BY:



ROGER A. PARTRIDGE, Chair

ATTEST:



KRISTIN RANDLETT, Clerk to the Board

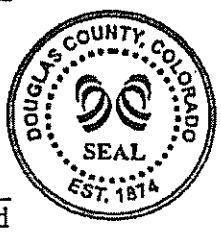


EXHIBIT A

(Legal Description of Trails Metropolitan District Boundaries and Service Area)

A PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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