

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

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

NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Chad Murphy	President	2022/May 2022
Richard Cross	Treasurer	2023/May 2023
John (“Jay”) W. Despard	Assistant Secretary	2022/May 2022
Mitchell M. Peterson		2023/May 2023
Ryan D. Marsh		2022/May 2022
Ann E. Finn	Secretary	

DATE: **June 25, 2020**

TIME: **1:00 p.m.**

Due to Executive Order D 2020 044 Safer at Home issued by Governor Polis on April 26, 2020, and Public Health Order 20-28 implementing the Executive Order, issued by the Colorado Department of Health and Environment (CDPHE) on April 26, 2020, this meeting will be held via teleconferencing and can be joined through the directions below:

CONFERENCE CALL NUMBER: **1-877-261-8991**
PASSCODE: **6168588**

I. ADMINISTRATIVE MATTERS

A. Disclosure of Potential Conflicts of Interest.

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

C. Discuss results of the cancelled May 5, 2020 Regular Election (enclosures).

D. Consider appointment of Officers:

President _____

Treasurer _____

Secretary _____

Asst. Secretary _____

Asst. Secretary _____

Asst. Secretary _____

- E. Review and approve the Minutes of the February 19, 2020 Special Meeting (enclosure).
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II. PUBLIC COMMENTS

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

- A. Review and accept unaudited financial statements for the period ending March 31, 2020 and the schedule of cash position updated as of April 22, 2020 (enclosure).
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- B. Review and consider acceptance of the 2019 Audit (enclosure) and approval of execution of Representations Letter.
-

- C. Consider appointing the District Accountant to prepare the 2021 Budget and set the date for a Public Hearing to adopt the 2021 Budget for December 7, 2020, at 1:00 p.m., to be held at the Hines Office, 1144 15th Street, Suite 3675, Denver, Colorado 80202.
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IV. LEGAL MATTERS

- A. Ratify approval of the Extra-Territorial Wastewater Service IGA between the Town of Castle Rock and the Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2 (enclosure).
-

V. OTHER BUSINESS

- A. _____
-

- VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR DECEMBER 7, 2020 – BUDGET HEARING**

**CANCELLATION OF ELECTION AND
DECLARATION DEEMING CANDIDATES ELECTED FOR
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**

The Designated Election Official of the Crowfoot Valley Ranch Metropolitan District No. 2 has been duly authorized by the Board of Directors to cancel and declare candidates elected if, at the close of business on the sixty-third (63rd) day before the election or thereafter, there are not more candidates than offices to be filled at the election to be conducted on May 5, 2020; and

As of the close of business on March 3, 2020, or thereafter, there were not more candidates for Director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates.

Pursuant to Section 1-13.5-513(1), C.R.S., the Designated Election Official hereby cancels the regular election to be conducted on May 5, 2020.

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

Richard B. Cross 2757 West Denver Place Denver, Colorado 80211	Three-year term to 2023
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Mitchell M. Peterson 2526 West 39 th Avenue Denver, Colorado 80211	Three-year term to 2023
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Chad D. Murphy 4530 North Meade Street Denver, Colorado 80211	Two-year term to 2022
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Ryan D. Marsh 2747 South Steele Street Denver, Colorado 80210	Two-year term to 2022
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John W. Despard 9909 Isabelle Road Lafayette, Colorado 80026	Two-year term to 2022
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DATED this 4th day of March, 2020.



Designated Election Official

Contact Person for District:

Matt P. Ruhland

Telephone Number of District:

Collins Cockrel & Cole

(303) 986-1551

Address of District:

390 Union Boulevard, Suite 400

Lakewood, Colorado 80228

NOTICE OF CANCELLATION OF REGULAR ELECTION
BY THE DESIGNATED ELECTION OFFICIAL FOR THE
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

NOTICE IS HEREBY GIVEN by the Crowfoot Valley Ranch Metropolitan District No. 2, Douglas County, Colorado, that at the close of business on the sixty-third (63rd) day before the election or thereafter there were not more candidates for Director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election to be held on May 5, 2020, is hereby cancelled.

The following candidates are declared elected:

Richard B. Cross	Three-year term to 2023
Mitchell M. Peterson	Three-year term to 2023
Chad D. Murphy	Two-year term to 2022
Ryan D. Marsh	Two-year term to 2022
John W. Despard	Two-year term to 2022

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2

/s/ Micki L. Mills

Designated Election Official

Published in: Douglas County News Press

Published on: March 12, 2020

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 HELD FEBRUARY 19, 2020

A Special Meeting of the Board of Directors (the “Board”) of the Crowfoot Valley Ranch Metropolitan District No. 2 (the “District”) was convened on Wednesday, the 19th day of February 2020, at 11:30 a.m., at Hines, 1144 15th Street, Suite 3675, Denver, Colorado 80202. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Chad Murphy
Richard Cross
Matthew B. Greenberg

Following discussion, upon motion duly made by Director Murphy, seconded by Director Cross and, upon vote, unanimously carried, the absence of Director Despard was excused.

Also In Attendance Were:

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

Matthew Ruhland, Esq.; Collins Cockrel & Cole, P.C.

Jason Carroll, CliftonLarsonAllen LLP

Ryan Marsh; Hines Interests Limited Partnership

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State.

Attorney Ruhland noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that all Directors’ Disclosure Statements have been filed.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Murphy, seconded by Director Cross and, upon vote, unanimously carried, the Agenda was approved, as presented.

Minutes: The Board reviewed the Minutes of the December 2, 2019 Regular Meeting.

Following discussion, upon motion duly made by Director Murphy, seconded by Director Cross and, upon vote, unanimously carried, the Minutes of the December 2, 2019 Regular Meeting were approved, as presented.

LEGAL MATTERS

Extra-Territorial Wastewater Service IGA between Castle Rock and the Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2: Attorney Ruhland reviewed the Extra-Territorial Wastewater Service IGA between the Town of Castle Rock and the Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2.

Following review and discussion, upon motion duly made by Director Cross, seconded by Director Murphy and, upon vote, unanimously carried, the Board approved the Extra-Territorial Wastewater Service IGA between Town of Castle Rock and the Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2, subject to final negotiation and review by Attorney Ruhland and sign off by the District President.

OTHER BUSINESS

There was no other business to discuss at this time.

ADJORNMENT

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

Respectfully submitted,

By: _____
Secretary for the Meeting

CROWFOOT VALLEY RANCH METRO DISTRICT #2

FINANCIAL STATEMENTS

MARCH 31, 2020

CROWFOOT VALLEY RANCH METRO DISTRICT #2
BALANCE SHEET - GOVERNMENTAL FUNDS
MARCH 31, 2020

	General	Debt Service	Capital Projects	Total
ASSETS				
C - Safe	\$ 1,135	\$ 39,130	\$ -	\$ 40,265
UMB Senior Bond Fund - Series 2018A	-	2,985,240	-	2,985,240
UMB Senior Surplus Fund - Series 2018A	-	2,952,654	-	2,952,654
UMB Senior Project Fund - 2018A	-	-	20,749,825	20,749,825
UMB Sub Project Fund - 2018B	-	-	3,271,507	3,271,507
Receivable from County Treasurer	105	197	-	302
TOTAL ASSETS	\$ 1,240	\$ 5,977,221	\$ 24,021,332	\$ 29,999,793
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Payable to Town	\$ 53	\$ -	\$ -	\$ 53
Due to other districts	1,187	-	-	1,187
Total Liabilities	1,240	-	-	1,240
FUND BALANCES				
Total Fund Balances	-	5,977,221	24,021,332	29,998,553
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,240	\$ 5,977,221	\$ 24,021,332	\$ 29,999,793

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

**CROWFOOT VALLEY RANCH METRO DISTRICT #2
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE MONTHS ENDED MARCH 31, 2020**

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property Taxes	\$ 13,698	\$ 159	\$ (13,539)
Fire Protection Tax	4,623	54	(4,569)
Specific Ownership tax	1,649	366	(1,283)
Interest Income	-	2	2
Other Revenue	2,030	-	(2,030)
TOTAL REVENUES	<u>22,000</u>	<u>581</u>	<u>(21,419)</u>
EXPENDITURES			
County Treasurer's fee	205	2	203
County Treasurers Fee - Fire	69	1	68
Transfer to District 1	-	525	(525)
Payment to Town	4,554	53	4,501
Intergovernmental expenditures	15,142	-	15,142
Contingency	2,030	-	2,030
TOTAL EXPENDITURES	<u>22,000</u>	<u>581</u>	<u>21,419</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SUPPLEMENTARY INFORMATION

**CROWFOOT VALLEY RANCH METRO DISTRICT #2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE MONTHS ENDED MARCH 31, 2020**

DEBT SERVICE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property Taxes	\$ 34,246	\$ 397	\$ (33,849)
Specific Ownership tax	3,082	685	(2,397)
Interest Income	76,750	20,322	(56,428)
TOTAL REVENUES	<u>114,078</u>	<u>21,404</u>	<u>(92,674)</u>
EXPENDITURES			
County Treasurer's fee	514	6	508
Series 2018A Bonds Interest	1,824,819	-	1,824,819
Contingency	4,667	-	4,667
TOTAL EXPENDITURES	<u>1,830,000</u>	<u>6</u>	<u>1,829,994</u>
NET CHANGE IN FUND BALANCES	(1,715,922)	21,398	1,737,320
FUND BALANCES - BEGINNING	<u>5,975,247</u>	<u>5,955,824</u>	<u>(19,423)</u>
FUND BALANCES - ENDING	<u>\$ 4,259,325</u>	<u>\$ 5,977,222</u>	<u>\$ 1,717,897</u>

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**CROWFOOT VALLEY RANCH METRO DISTRICT #2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE MONTHS ENDED MARCH 31, 2020**

CAPITAL PROJECTS FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest Income	\$ 200,000	\$ 84,587	\$ (115,413)
TOTAL REVENUES	<u>200,000</u>	<u>84,587</u>	<u>(115,413)</u>
EXPENDITURES			
Intergovernmental Expenditure - District No. 1	<u>26,258,839</u>	<u>1,884,218</u>	<u>24,374,621</u>
TOTAL EXPENDITURES	<u>26,258,839</u>	<u>1,884,218</u>	<u>24,374,621</u>
NET CHANGE IN FUND BALANCES	(26,058,839)	(1,799,631)	24,259,208
FUND BALANCES - BEGINNING	<u>26,058,839</u>	<u>25,820,963</u>	<u>(237,876)</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 24,021,332</u>	<u>\$ 24,021,332</u>

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Douglas County on December 3, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado.

The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of the District. Under the Service Plan, the District is the Financing District related to Crowfoot Valley Ranch Metropolitan District No. 1, the Service District ("District No. 1").

On November 4, 2014, the District's voters authorized general obligation indebtedness of \$53,000,000 for street improvements, \$53,000,000 for parks and recreation, \$53,000,000 for water supply system, \$53,000,000 for sanitary sewer system, \$53,000,000 for traffic and safety control, \$53,000,000 for public transport, \$53,000,000 for fire protection and emergency response facilities, and \$106,000,000 for refinancing of District debt. This voter authorization replaced the voter authorization of November 5, 2002. District voters also approved authorization for the District to retain and spend District revenues, from any lawful source, in excess of the spending, revenue raising or other limitations in Article X, Section 20 of the Colorado constitution.

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

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

Revenues

Property Taxes

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues - (continued)

The District's service plan sets a mill levy cap for payment of general obligation debt and for operations and maintenance of 70.000 mills district wide, with 20.000 mills for operating costs. Additionally 6.750 mills is designated for fire protection, payable to the Castle Rock Fire Protection District. The operating mill levy may include an additional levy not to exceed 10.00 mills for subdistricts created to serve specific areas within the district.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020 on June 10, 2019 with a report submitted to the State Board of Equalization. Accordingly, the mill levy has been adjusted upward to reflect the change assessed value calculation.

The property taxes levied are as shown on the Property Tax Summary Page.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9.0% of the total property taxes collected by the General Fund.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

Facilities Fees

Capital Fees are pledged to the payment of the Bonds and are generally defined to mean all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District at the time of issuance of the Bonds or thereafter, including Facilities Fees. The District is expected to adopt a Facilities Fee Resolution prior to the issuance of the Bonds. Capital Fees do not include Excluded Fees, which are defined in the Indentures as any fee imposed by the District solely for the purpose of funding operation and maintenance expenses.

The Facilities Fee Resolution will impose a one-time fee in the amount of \$3,000 for each single-family or multi-family dwelling unit located within the District. The Facilities Fees are payable at the time a building permit is issued by the County for any dwelling unit. Facilities Fees are pledged to the payment of the Bonds.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

General and Administrative Expenditures

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

Payment to Town

The District has entered into an intergovernmental agreement with the Town of Castle Rock for fire protection and emergency response services. The Town of Castle Rock was required to build a new fire station to service the District and as a result the District agreed to levy 7.514 mills, as adjusted for changes in assessed valuation, and remit the proceeds, net of collection fees, to the Town annually.

County Treasurer's Fees

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

Debt and Leases

Series 2018 Bonds

One June 19, 2018 the District issued 2018A Senior Bonds and the 2018B Subordinate Bonds in the respective amounts of \$31,945,000 and \$3,260,000. Proceeds from the sale of the 2018A Senior Bonds will be used to: (i) finance or reimburse the costs of public improvements related to the Development; (ii) fund capitalized interest on the 2018A Senior Bonds; (iii) make an initial deposit to the 2018A Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds from the sale of the 2018B Subordinate Bonds will be used to: (i) finance or reimburse the cost of public improvements related to the Development; and (ii) pay certain other costs of issuance of the 2018B Subordinate Bonds.

The 2018A Senior Bonds are will bear interest at rates ranging from 5.625% to 5.750% and are payable semi-annually on June 1 and December 1, beginning on December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026. The 2018A Senior Bonds mature on December 1, 2048. The 2018B Subordinate Bonds are assumed to be issued at the rate of 8% per annum and are payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048.

The 2018B Subordinate Bonds will bear interest at 8.00% and are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the 2018B Subordinate Bonds compounds annually at the rate then borne by the 2018B Subordinate Bonds on each December 15. In the event any amounts due and owing on the 2018B Subordinate Bonds remain outstanding on December 15, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases - (continued)

The 2018A Senior Bonds are payable solely from and to the extent of the Senior Pledged Revenue, defined generally in the 2018A Senior Indenture as the following, net of any costs of collection: a) all Senior Property Tax Revenues (generally defined as revenues resulting from the imposition of the Senior Required Mill Levy); b) all Senior Specific Ownership Tax Revenues, resulting from the imposition of the Senior Required Mill Levy; c) all Capital Fees; and d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The 2018A Senior Bonds are additionally secured by the 2018A Surplus Fund, which will initially be partially funded with proceeds of the 2018A Senior Bonds, and will also be funded with excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000, and by capitalized interest which will be funded with proceeds of the 2018A Senior Bonds. Amounts on deposit in the 2018A Surplus Fund (if any) on the final maturity date of the 2018A Senior Bonds shall be applied to the payment of the 2018A Senior Bonds. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy required to be imposed in December 2047.

The 2018B Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue, which is defined generally in the 2018B Subordinate Indenture as the following, net costs of collection: a) all Subordinate Property Tax Revenues (generally defined as revenues resulting from the imposition of the Subordinate Required Mill Levy); b) all Subordinate Specific Ownership Tax Revenues, resulting from the imposition of the Subordinate Required Mill Levy; c) all Subordinate Capital Fee Revenue; and d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. Subordinate Capital Fee Revenue is defined as any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations. For the Senior Required Mill Levy and the Subordinate Required Mill Levy, the Indentures separate property taxes and specific ownership taxes generated by each mill levy. Receipts generated from the Senior Required Mill Levy are pledged to the repayment of the 2018A Senior Bonds and receipts generated from the Subordinate Required Mill Levy are pledged to the repayment of the 2018B Subordinate Bonds. In no event is Subordinate Pledged Revenue required to be deposited to the Senior Bond Fund or to be applied to debt service on the 2018A Senior Bonds. Assumptions related to debt principal amounts, bond interest rates, issuance costs, capitalized interest amounts, and other related debt service costs for the proposed 2018A Senior Bonds and 2018B Subordinate Bonds have been provided to Management by D.A. Davidson & Co., the underwriter of the proposed bond issuance of the District.

Leases

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

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 1, which pays for all the District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's budget.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Reserves - (continued)

Surplus Fund

The 2018A Senior Bonds are additionally secured by the 2018A Surplus Fund, which will initially be partially funded with proceeds of the 2018A Senior Bonds, and will also be funded with excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000, and by capitalized interest which will be funded with proceeds of the 2018A Senior Bonds.

**CROWFOOT VALLEY RANC METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
LONG TERM DEBT**

Bonds and Interest Maturing in the Year Ending December 31,	\$31,945,000 Limited Tax General Obligation Bonds Series 2018A Interest 5.625% - 5.750% Dated June 13, 2018 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2020	\$ -	\$ 1,824,819	\$ 1,824,819
2021	-	1,824,819	1,824,819
2022	-	1,824,819	1,824,819
2023	-	1,824,819	1,824,819
2024	-	1,824,819	1,824,819
2025	-	1,824,819	1,824,819
2026	25,000	1,824,819	1,849,819
2027	190,000	1,823,413	2,013,413
2028	380,000	1,812,725	2,192,725
2029	515,000	1,791,350	2,306,350
2030	660,000	1,762,381	2,422,381
2031	710,000	1,725,256	2,435,256
2032	800,000	1,685,319	2,485,319
2033	845,000	1,640,319	2,485,319
2034	945,000	1,592,788	2,537,788
2035	995,000	1,539,631	2,534,631
2036	1,105,000	1,483,663	2,588,663
2037	1,165,000	1,421,506	2,586,506
2038	1,280,000	1,355,975	2,635,975
2039	1,355,000	1,283,975	2,638,975
2040	1,485,000	1,206,063	2,691,063
2041	1,570,000	1,120,675	2,690,675
2042	1,715,000	1,030,400	2,745,400
2043	1,815,000	931,788	2,746,788
2044	1,970,000	827,425	2,797,425
2045	2,085,000	714,150	2,799,150
2046	2,260,000	594,263	2,854,263
2047	2,390,000	464,313	2,854,313
2048	5,685,000	326,888	6,011,888
	\$ 31,945,000	\$ 40,907,999	\$ 72,852,999

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

Crowfoot Metropolitan District No. 2

Schedule of Cash Position

March 31, 2020

Updated 4/22/20

	General Fund	Debt Service Fund	Capital Projects Fund	Total
<u>CSAFE</u>				
Balance as of 3/31/20	\$ 1,134.57	\$ 39,129.63	\$ -	\$ 40,264.20
Subsequent activities:				
04/10/20 - Property Tax Receipt (March)	105.47	197.13	-	302.60
Anticipated Transfer to District #1	(1,240.04)	-	-	(1,240.04)
Anticipated Transfer to Bond Fund	-	(39,326.76)	-	(39,326.76)
Anticipated balance	-	-	-	-
<u>UMB - Senior Bond Fund Series 2018A</u>				
Balance as of 3/31/20	\$ -	\$ 2,985,239.56	\$ -	\$ 2,985,239.56
Subsequent activities:				
Anticipated Transfer from Csafe	-	39,326.76	-	39,326.76
Anticipated balance	-	3,024,566.32	-	3,024,566.32
<u>UMB - Senior Surplus Fund Series 2018A</u>				
Balance as of 3/31/20	\$ -	\$ 2,952,653.91	\$ -	\$ 2,952,653.91
Subsequent activities:				
Anticipated balance	-	2,952,653.91	-	2,952,653.91
<u>UMB - Senior Project Fund Series 2018A</u>				
Balance as of 3/31/20	\$ -	\$ -	\$ 20,749,824.69	\$ 20,749,824.69
Subsequent activities:				
Anticipated Draw Request #14	-	-	(1,457,952.36)	(1,457,952.36)
Anticipated balance	-	-	19,291,872.33	19,291,872.33
<u>UMB - Sub Project Fund Series 2018B</u>				
Balance as of 3/31/20	\$ -	\$ -	\$ 3,271,507.09	\$ 3,271,507.09
Subsequent activities:				
Anticipated balance	-	-	3,271,507.09	3,271,507.09
Anticipated Balances	\$ -	\$ 5,977,220.23	\$ 22,563,379.42	\$ 28,540,599.65

Yield information 3/31/2020:

CSAFE - 1.39%

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

Property Taxes Reconciliation

2020

	Current Year						% of Total Property Taxes Received		Prior Year		
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Amount Received	Monthly	Y-T-D	Total Cash Received	% of Total Property Taxes Received	
										Monthly	Y-T-D
January	\$ -	\$ -	\$ 437.27	\$ -	\$ -	\$ 437.27	0.00%	0.00%	\$ 454.83	0.00%	0.00%
February	609.21	-	310.88	-	(9.14)	910.95	1.16%	1.16%	7,563.50	13.82%	13.82%
March	-	-	302.60	-	-	302.60	0.00%	1.16%	456.15	0.00%	13.82%
April	-	-	-	-	-	-	0.00%	1.16%	419.41	0.00%	13.82%
May	-	-	-	-	-	-	0.00%	1.16%	44,512.58	85.15%	98.97%
June	-	-	-	-	-	-	0.00%	1.16%	963.77	1.03%	100.00%
July	-	-	-	-	-	-	0.00%	1.16%	493.80	0.00%	100.00%
August	-	-	-	-	-	-	0.00%	1.16%	481.15	0.00%	100.00%
September	-	-	-	-	-	-	0.00%	1.16%	486.93	0.00%	100.00%
October	-	-	-	-	-	-	0.00%	1.16%	451.61	0.00%	100.00%
November	-	-	-	-	-	-	0.00%	1.16%	465.17	0.00%	100.00%
December	-	-	-	-	-	-	0.00%	1.16%	531.34	0.00%	100.00%
\$ 609.21	\$ -	\$ 1,050.75	\$ -	\$ (9.14)	\$ 1,650.82	1.16%	1.16%	\$ 57,280.24	100.00%	100.00%	

Assessed Valuation	Mills Levied	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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Property Tax

General Fund	\$ 615,230	22.265	13,698.00	26.06%	\$ 158.75	2.00%
Fire Protection	\$ 615,230	7.514	4,623.00	8.79%	53.58	2.00%
Debt Service Fund	\$ 615,230	55.663	34,246.00	65.15%	396.88	2.00%
		<u>85.442</u>	<u>\$ 52,567.00</u>	<u>100.00%</u>	<u>\$ 609.21</u>	

Specific Ownership Tax

General Fund	\$ 1,649.00	34.86%	\$ 366.24	22.21%
Debt Service Fund	3,082.00	65.14%	684.51	22.21%
	<u>\$ 4,731.00</u>	<u>100.00%</u>	<u>\$ 1,050.75</u>	

Treasurer's Fees

General Fund	\$ 205.00	26.01%	\$ 2.38	1.00%
Fire Protection	69.00	8.76%	0.80	1.00%
Debt Service Fund	514.00	65.22%	5.96	1.00%
	<u>\$ 788.00</u>	<u>99.99%</u>	<u>\$ 9.14</u>	

Collected GF	\$ 158.75	
Collected SO	366.24	
CSAFE Interest	2.59	
Less fees:	(2.38)	
Transfer to #1	\$ 525.20	Income Statement

Payment to Town:		
Fire Protection	\$ 53.58	
Less fees:	(0.80)	
Payment to Town:	\$ 52.78	Balance Sheet

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
Douglas County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2019

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INSERT INDEPENDENT AUDITOR'S REPORT

BASIC FINANCIAL STATEMENTS

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities
ASSETS	
Cash and Investments	\$ 493
Cash and Investments - Restricted	31,776,471
Property Taxes Receivable	52,567
Receivable from County Treasurer	484
Total Assets	31,830,015
LIABILITIES	
Accrued Interest Payable	152,068
Due to Other Districts	662
Noncurrent Liabilities:	
Due in More than One Year	35,619,150
Total Liabilities	35,771,880
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	52,567
Total Deferred Inflows of Resources	52,567
NET POSITION	
Restricted for:	
Debt Service	5,955,824
Unrestricted	(9,950,256)
Total Net Position	\$ (3,994,432)

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METRO DISTRICT #2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Government Activities:					
General Government	\$ 20,452	\$ -	\$ -	\$ (20,452)	
Intergovernmental Expenditure	906,813	-	-	(906,813)	
Interest and Related Costs on:					
Long-Term Debt	2,097,499	-	-	(2,097,499)	
Total Governmental Activities	\$ 3,024,764	\$ -	\$ -	\$ (3,024,764)	
GENERAL REVENUES					
Property Taxes				53,260	
Specific Ownership Taxes				5,342	
Net investment Income				662,743	
Total General Revenues				721,345	
CHANGES IN NET POSITION				(2,303,419)	
Net Position - Beginning of Year				(1,691,013)	
NET POSITION - END OF YEAR				\$ (3,994,432)	

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

ASSETS	General	Debt Service	Capital Projects	Total Governmental Funds
Cash and Investments	\$ 493	\$ -	\$ -	\$ 493
Cash and Investments - Restricted	-	5,955,509	25,820,962	31,776,471
Property Tax Receivable	18,321	34,246	-	52,567
Receivable from County Treasurer	169	315	-	484
Total Assets	\$ 18,983	\$ 5,990,070	\$ 25,820,962	\$ 31,830,015
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to Other Districts	\$ 662	\$ -	\$ -	\$ 662
Total Liabilities	662	-	-	662
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	18,321	34,246	-	52,567
Total Deferred Inflows or Resources	18,321	34,246	-	52,567
FUND BALANCES				
Nonspendable:				
Restricted for:				
Debt Service	-	5,955,824	-	5,955,824
Unassigned	-	-	25,820,962	25,820,962
Total Fund Balances	-	5,955,824	25,820,962	31,776,786
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,983	\$ 5,990,070	\$ 25,820,962	

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

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

Bonds Payable Series A & B	(35,205,000)
Unpaid Interest on Bonds Series B	(414,150)
Accrued Interest on Bonds Payable Series A	(152,068)
	(35,771,218)

Net Position of Governmental Activities	\$ (3,994,432)
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See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 13,879	\$ 34,697	\$ -	\$ 48,576
Specific Ownership Taxes	1,862	3,480	-	5,342
Net Investment Income	27	141,955	520,761	662,743
Fire Protection Tax	4,684	-	-	4,684
Total Revenues	20,452	180,132	520,761	721,345
EXPENDITURES				
Current:				
County Treasurer's Fees	208	521	-	729
County Treasurer's Fees - Fire	70	-	-	70
Transfer to District 1	15,560	-	-	15,560
Payment to Town	4,614	-	-	4,614
Debt Service:				
Bond Interest	-	1,824,819	-	1,824,819
Capital Outlay:				
Intergovernmental Expenditure - CVRMD No. 1	-	-	906,813	906,813
Total Expenditures	20,452	1,825,340	906,813	2,752,605
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,645,208)	(386,052)	(2,031,260)
OTHER FINANCING SOURCES (USES)				
Transfers (to) from Other Fund	-	10,356	(10,356)	-
Total Other Financing Sources (Uses)	-	10,356	(10,356)	-
NET CHANGE IN FUND BALANCES	-	(1,634,852)	(396,408)	(2,031,260)
Fund Balances - Beginning of year	-	7,590,676	26,217,370	33,808,046
FUND BALANCES - END OF YEAR	\$ -	\$ 5,955,824	\$ 25,820,962	\$ 31,776,786

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ (2,031,260)

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

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

Bond Interest - Change in Liability on unpaid Series 2018B (272,159)

Changes in Net Position of Governmental Activities \$ (2,303,419)

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 13,879	\$ 13,879	\$ -
Specific Ownership Taxes	1,856	1,862	6
Fire Protection Tax	4,684	4,684	-
Net Investment Income	-	27	27
Other Income	1,914	-	(1,914)
Total Revenues	22,333	20,452	(1,881)
EXPENDITURES			
Current:			
County Treasurer's Fees	278	208	70
County Treasurer's Fees - Fire	-	70	(70)
Transfer to District 1	20,141	15,560	4,581
Payment to Town	-	4,614	(4,614)
Contingency	1,914	-	1,914
Total Expenditures	22,333	20,452	1,881
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balances - Beginning of Year	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 DEFINITION OF REPORTING ENTITY

Crowfoot Valley Ranch Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Order and Decree of the District Court for Douglas County recorded on December 3, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of the District. Under the Service Plan, the District is the Financing District related to Crowfoot Valley Ranch Metropolitan District No. 1, the Service District ("District No. 1").

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

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

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

Pooled Cash and Investments

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

Property Taxes

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

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

Deferred Inflows of Resources

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 493
Cash and Investments - Restricted	<u>31,776,471</u>
Total Cash and Investments	<u>\$ 31,776,964</u>

Cash and investments as of December 31, 2019 consist of the following:

Total Investments	<u>\$ 31,776,964</u>
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Deposits with Financial Institutions

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

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

At December 31, 2019, the District had no cash deposits.

Investments

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

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

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

As of December 31, 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 31,776,964

CSAFE

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2019:

	Balance at December 31, 2018	New Issues	Refundings/ Retirements	Balance at December 31, 2019	Due Within One Year
General Obligation					
Bonds:					
Series 2018A	\$ 31,945,000	\$ -	\$ -	\$ 31,945,000	\$ -
Series 2018B	3,260,000	-	-	3,260,000	-
Unpaid Interest on Series 2018B	141,991	272,159	-	414,150	-
Total	<u>\$ 35,346,991</u>	<u>\$ 272,159</u>	<u>\$ -</u>	<u>\$ 35,619,150</u>	<u>\$ -</u>

The details of the District’s long-term obligations are as follows:

Limited Tax General Obligation Bonds, Series 2018A (the “2018A Senior Bonds”) and **Subordinate Limited Tax General Obligation Bonds, Series 2018B** (the “2018B Subordinate Bonds”, and together with the 2018A Senior Bonds, the “Bonds”) **dated June 19, 2018**.

Bond Details

The District issued the Bonds on June 19, 2018, in the par amounts of \$31,945,000 for the 2018A Senior Bonds and \$3,260,000 for the 2018B Subordinate Bonds. Proceeds of the 2018A Senior Bonds were applied to: (i) finance or reimburse the costs of public improvements; (ii) fund capitalized interest on the 2018A Senior Bonds; (iii) make an initial deposit to the Senior Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds of the 2018B Subordinate Bonds were applied to: (i) finance or reimburse the costs of public improvements; and (ii) pay certain other costs of issuance of the 2018B Subordinate Bonds.

The 2018A Senior Bonds bear interest at rates ranging from 5.625% to 5.750%, payable semiannually on June 1 and December 1 of each year, beginning on December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning December 1, 2026. The 2018A Senior Bonds mature on December 1, 2048. To the extent the 2018A Senior Bonds are not paid when due, the unpaid principal will continue to bear interest and the unpaid interest will compound semiannually on each June 1 and December 1 until the total repayment obligation of the District for the 2018A Senior Bonds equals the amount permitted by law and the electoral authorization.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Bond Details (Continued)

The 2018B Subordinate Bonds bear interest at 8.00% and are payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048. The 2018B Subordinate Bonds are structured as “cash flow” bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the 2018B Subordinate Bonds compounds annually at the rate borne by the 2018B Subordinate Bonds on each December 15. The District shall not be obligated to pay more than the amount permitted by law and the electoral authorization in repayment of the 2018B Subordinate Bonds. In the event any amounts due and owing on the 2018B Subordinate Bonds remain outstanding on December 15, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

Optional Redemption

The 2018A Senior Bonds and the 2018B subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2023, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Optional Redemption Date</u>	<u>Redemption Prices</u>
December 1, 2023 to November 30, 2024	3.00%
December 1, 2024 to November 30, 2025	2.00
December 1, 2025 to November 30, 2026	1.00
December 1, 2026 and Thereafter	0.00

Security

The 2018A Senior Bonds are payable solely from and to the extent of Senior Pledged Revenue, comprised of the following, net of any costs of collection: (i) all Senior Property Tax Revenues (generally defined as revenues resulting from the imposition of the Senior Required Mill Levy); (ii) all Senior Specific Ownership Tax Revenues resulting from the imposition of the Senior Required Mill Levy; (iii) all Capital Fees; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Security (Continued)

The 2018A Senior Bonds are also secured by the amounts in the Senior Surplus Fund, which was partially funded with proceeds of the 2018A Senior Bonds in the amount of \$2,854,000, and will be additionally funded by excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000. Amounts on deposit in the Senior Surplus Fund on the final maturity date of the 2018A Senior Bonds shall be applied to the payment of the 2018A Senior Bonds. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy to be imposed in December 2047. The balance in the Senior Surplus Fund on December 31, 2019, was \$2,942,622.

The 2018B Subordinate Bonds are payable solely from and to the extent of Subordinate Pledged Revenue, comprised of the following, net of any costs of collection: (i) all Subordinate Property Tax Revenues (generally defined as revenues resulting from the imposition of the Subordinate Required Mill Levy); (ii) all Subordinate Specific Ownership Tax Revenues resulting from the imposition of the Subordinate Required Mill Levy; (iii) all Subordinate Capital Fee Revenue (which means any revenue from Capital Fees remaining after deduction of amounts applied to the payment of any Senior Obligations); and (iv) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Required Mill Levy

The District has covenanted to impose a Senior Required Mill Levy each year in an amount which, if imposed by the District for collection in the succeeding calendar year, would generate Senior Property Tax Revenues sufficient to pay the 2018A Senior Bonds (less any amounts then on deposit in the Senior Bond Fund and, solely to the extent provided in the Senior Indenture, the Senior Surplus Fund), but not in excess of 50 mills (subject to adjustment), and for so long as the amount on deposit in the Senior Surplus Fund is less than the Maximum Surplus Amount, equal to 50 mills (subject to adjustment), or such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Senior Property Tax Revenues (A) sufficient to pay the 2018A Senior Bonds and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (B) which, when combined with moneys then on deposit in the Senior Bond Fund and the Senior Surplus Fund, will pay the 2018A Senior Bonds in full in the year such levy is collected.

In the event that the method of calculating assessed valuation is changed after December 16, 2008, the minimum mill levy of 50 mills and the maximum mill levy of 50 mills will 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 revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. The adjusted minimum and maximum mill levy for tax collection year 2019 is 55.277. For tax levy year 2019 (for collection in 2020), the District levied 55.663 mills.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Required Mill Levy (Continued)

The District has covenanted to impose a Subordinate Required Mill Levy each year in an amount equal to (i) 50 mills (subject to adjustment), less the Senior Obligation Mill Levy (which is defined as the sum of the Senior Required Mill Levy required to be imposed by the District in accordance with the 2018A Senior Indenture and any other ad valorem property tax levy required to be imposed by the District for the payment of Senior Obligations) or (ii) such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2018B Subordinate Bonds in full in the year such levy is collected. The Subordinate Required Mill Levy will equal zero at any time that: (i) the payment of the 2018A Senior Bonds and any other Senior Obligations requires the imposition of at least 50 mills (subject to adjustment); and (ii) at any time that there is on deposit in the Senior Surplus Fund less than the Maximum Surplus Amount.

The outstanding bond principal and interest of the 2018A Senior bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 1,824,819	\$ 1,824,819
2021	-	1,824,819	1,824,819
2022	-	1,824,819	1,824,819
2023	-	1,824,819	1,824,819
2024	-	1,824,819	1,824,819
2025-2029	1,110,000	9,077,126	10,187,126
2030-2034	3,960,000	8,406,063	12,366,063
2035-2039	5,900,000	7,084,750	12,984,750
2040-2044	8,555,000	5,116,351	13,671,351
2045-2048	12,420,000	2,099,614	14,519,614
Total	<u>\$ 31,945,000</u>	<u>\$ 40,907,999</u>	<u>72,852,999</u>

The annual debt service requirements on the 2018B Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 4, 2014, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$477,000,000. At December 31, 2019, the District had authorized, but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 25, 2002 Election	Authorized November 7, 2006 Election	Authorized November 4, 2014 Election	Authorization Used for Series 2018A Bonds	Authorization Used for Series 2018B Bonds	Authorized But Unissued
Street Improvements	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000	\$ 19,167,000	\$ 1,956,000	\$ 137,877,000
Parks and Recreation	-	53,000,000	53,000,000	3,194,500	326,000	102,479,500
Water	53,000,000	53,000,000	53,000,000	4,791,750	489,000	153,719,250
Sanitation	53,000,000	53,000,000	53,000,000	3,194,500	326,000	155,479,500
Transportation	53,000,000	53,000,000	53,000,000	1,597,250	163,000	157,239,750
Traffic Safety Controls	53,000,000	53,000,000	53,000,000	-	-	159,000,000
TV Relay and Translation	53,000,000	53,000,000	-	-	-	106,000,000
Fire Protection / Emergency Medical	53,000,000	53,000,000	53,000,000	-	-	159,000,000
Refunding	53,000,000	53,000,000	106,000,000	-	-	212,000,000
Total	<u>\$ 424,000,000</u>	<u>\$ 477,000,000</u>	<u>\$ 477,000,000</u>	<u>\$ 31,945,000</u>	<u>\$ 3,260,000</u>	<u>\$ 1,342,795,000</u>

Pursuant to the Service Plan, the District along with District No. 1 is permitted to issue bond indebtedness in an aggregate amount up to \$477,000,000 (Combined Debt Limit). In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

NOTE 5 NET POSITION

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

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2019, as follows:

	<u>Governmental</u>
	<u>Activites</u>
Restricted Net Position:	
Debt Service	<u>\$ 5,955,824</u>

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6 DISTRICT AGREEMENTS

Amended and Restated District Facilities Agreement

The District and District No. 1 entered into a District Facilities Agreement, dated February 19, 2003, as amended and restated by the Amended and Restated District Facilities Agreement date January 1, 2008, and as amended by the First Amendment to Amended and Restated District Facilities Agreement, dated May 29, 2018, which sets forth the right and obligations of the District to issue indebtedness to fund, and for District No. 1 to construct, own or transfer, and operate and maintain, public facilities and services for the benefit of both Districts. The agreement establishes:

Maximum Debt Levy

To fund the obligations related to the limited tax general obligation of the District:

- 1) A Maximum Debt Levy not to exceed 50 mills, and
- 2) Other Revenues of the District as may be legally available.

Maximum O&M Levy and Service Fee

To fund the operation and maintenance of District No. 1:

- 1) A Maximum O&M levy not to exceed 20 mills,
- 2) The imposition of a uniform Service Fee upon each single family lot, each multi-family unit, and each square foot of commercial development, and
- 3) Other revenues of the District as may be legally available.

Fire Protection Agreement

The District has entered into an intergovernmental agreement with the Town of Castle Rock for fire protection and emergency response services. The required mill levy is 6.75 mills, as adjusted for changes in assessed valuation, which for the tax collection year 2019 is 7.462 mills. The Town of Castle Rock was required to build a new fire station to service the District and as a result the District agreed to levy 7.462 mills, as adjusted for changes in assessed valuation, and remit the proceeds, net of collection fees, to the Town annually.

NOTE 7 RELATED PARTY

The majority of the members on the Board of Directors are employees, owners, or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District.

NOTE 8 INTERFUND TRANSFERS

The transfer from the Capital Projects COI Fund to the Debt Service Fund was to fund the Senior Bond fund.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2019. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

On November 4, 2014, a majority of the District's electors authorized the District to collect and spend or retain in a reserve the full amount of all currently levied taxes and fees of the District annually, without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. Since substantially all funds received by the District are transferred to District No. 1, which pays for all of the District's operations and maintenance costs, an emergency reserve is not reflected in the District's financial statements. The emergency reserve for these funds are reflected in District No. 1.

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

SUPPLEMENTARY INFORMATION

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 34,697	\$ 34,697	\$ -
Specific Ownership Taxes	3,470	3,480	10
Net Investment Income	98,600	141,955	43,355
Total Revenues	<u>136,767</u>	<u>180,132</u>	<u>43,365</u>
EXPENDITURES			
Debt Service:			
Bond Interest - Series 2018A	1,824,819	1,824,819	-
County Treasurer's Fees	520	521	(1)
Trustee Fees	5,000	-	5,000
Contingency	5,181	-	5,181
Total Expenditures	<u>1,835,520</u>	<u>1,825,340</u>	<u>10,180</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,698,753)	(1,645,208)	53,545
OTHER FINANCING SOURCES (USES)			
Transfers from Other Fund	-	10,356	10,356
Total Other Financing Sources	<u>-</u>	<u>10,356</u>	<u>10,356</u>
NET CHANGE IN FUND BALANCES	(1,698,753)	(1,634,852)	63,901
Fund Balances - Beginning of Year	<u>6,311,612</u>	<u>7,590,676</u>	<u>1,279,064</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,612,859</u>	<u>\$ 5,955,824</u>	<u>\$ 1,342,965</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 390,000	\$ 520,761	\$ 130,761
Total Revenues	390,000	520,761	130,761
EXPENDITURES			
Intergovernmental Expenditure - CVRMD No. 1	25,318,288	906,813	24,411,475
Total Expenditures	25,318,288	906,813	24,411,475
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,928,288)	(386,052)	24,542,236
OTHER FINANCING SOURCES (USES)			
Transfers (to) from Other Fund	-	(10,356)	(10,356)
Total Other Financing Uses	-	(10,356)	(10,356)
NET CHANGE IN FUND BALANCES	(24,928,288)	(396,408)	24,531,880
Fund Balances - Beginning of Year	24,928,288	26,217,370	1,289,082
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 25,820,962</u>	<u>\$ 25,820,962</u>

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST
REQUIREMENTS TO MATURITY
LONG-TERM DEBT
DECEMBER 31, 2019

	\$31,945,000 Limited Tax General Obligation Bonds Series 2018A Interest 5.625% - 5.750% Dated June 13, 2018		
Bonds and Interest Maturing in the Year Ending December 31,	Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2020	\$ -	\$ 1,824,819	\$ 1,824,819
2021	-	1,824,819	1,824,819
2022	-	1,824,819	1,824,819
2023	-	1,824,819	1,824,819
2024	-	1,824,819	1,824,819
2025	-	1,824,819	1,824,819
2026	25,000	1,824,819	1,849,819
2027	190,000	1,823,413	2,013,413
2028	380,000	1,812,725	2,192,725
2029	515,000	1,791,350	2,306,350
2030	660,000	1,762,381	2,422,381
2031	710,000	1,725,256	2,435,256
2032	800,000	1,685,319	2,485,319
2033	845,000	1,640,319	2,485,319
2034	945,000	1,592,788	2,537,788
2035	995,000	1,539,631	2,534,631
2036	1,105,000	1,483,663	2,588,663
2037	1,165,000	1,421,506	2,586,506
2038	1,280,000	1,355,975	2,635,975
2039	1,355,000	1,283,975	2,638,975
2040	1,485,000	1,206,063	2,691,063
2041	1,570,000	1,120,675	2,690,675
2042	1,715,000	1,030,400	2,745,400
2043	1,815,000	931,788	2,746,788
2044	1,970,000	827,425	2,797,425
2045	2,085,000	714,150	2,799,150
2046	2,260,000	594,263	2,854,263
2047	2,390,000	464,313	2,854,313
2048	5,685,000	326,888	6,011,888
Total	\$ 31,945,000	\$ 40,907,999	\$ 72,852,999

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2019**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2015	\$ 613,200	76.750	\$ 47,063	\$ 47,063	100.00 %
2016	595,420	76.750	45,698	45,697	100.00
2017	590,920	76.750	45,353	45,353	100.00
2018	618,910	84.850	52,515	52,515	100.00
2019	627,700	84.850	53,260	53,260	100.00
Estimated for Year Ending December 31, 2020	\$ 615,230	85.442	\$ 52,567		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

ANNUAL DISCLOSURE

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
HISTORY OF ASSESSED VALUATION AND MILL LEVIES FOR THE DISTRICT
TABLE #1**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>	<u>Total Mill Levy</u>
2013	2014	\$ 431,671	-	76.750
2014	2015	613,200	42.05	76.750
2015	2016	595,420	(2.90)	76.750
2016	2017	590,920	(0.76)	76.750
2017	2018	618,910	4.74	84.500
2018	2019	627,700	1.42	84.850
2019	2020	615,230	(1.99)	85.442

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
PROPERTY TAX COLLECTIONS IN THE DISTRICT
TABLE #2**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Taxes Levied</u>	<u>Current Tax Collection</u>	<u>Collection Rate</u>
2013	2014	\$ 33,131	\$ 33,131	100.00 %
2014	2015	47,063	47,063	100.00
2015	2016	45,698	45,697	100.00
2016	2017	45,353	45,353	100.00
2017	2018	52,515	52,515	100.00
2018	2019	53,260	53,260	100.00
2019	2020	52,567	-	

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
TEN LARGEST OWNERS OF PROPERTY WITH THE DISTRICT
TABLE #3**

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
HT Canyons South Land LP	\$ 615,230	100.00 %
Total	<u>\$ 615,230</u>	<u>100.00 %</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT
TABLE #4**

Property Class	Total Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year - 2019		
Agricultural	\$ 39,850	6.48 %
Residential	47,680	7.75 %
State	8,700	1.41 %
Personal	519,000	84.36 %
Total	<u>\$ 615,230</u>	<u>100.00 %</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
SELECTED RATIOS OF THE DISTRICT (DIRECT DEBT OF THE DISTRICT)
TABLE #5**

Property Class	Total Debt	Senior Debt
Direct Debt	\$ 35,205,000	\$ 31,945,000
2019 Certified Assessed Valuation	615,230	615,230
Ratio of Direct Debt to 2019 Certified Assessed Valuation	5722%	5192%
2019 District Statutory "Actual" Value (4)	832,588	832,588
Ratio of Direct Debt to 2019 District Statutory Value	4228%	3837%

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND (UNAUDITED)
(PAST FIVE YEARS)
TABLE #6**

	2015	2016	2017	2018	2019
REVENUES					
Property Taxes	\$ 47,063	\$ 45,699	\$ 45,353	\$ 52,515	\$ 18,563
Specific Ownership Taxes	4,524	4,204	4,967	5,553	1,862
Interest Income	14	-	-	-	27
Total Revenues	<u>51,601</u>	<u>49,903</u>	<u>50,320</u>	<u>58,068</u>	<u>20,452</u>
EXPENDITURES					
County Treasurer's Fee	706	685	680	788	278
Payment to Town of Castle Rock	4,075	3,957	3,931	4,540	4,614
Transfer to CVRMD No. 1	59,640	45,261	45,709	52,740	15,560
Total Expenditures	<u>64,421</u>	<u>49,903</u>	<u>50,320</u>	<u>58,068</u>	<u>20,452</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(12,820)	-	-	-	-
EXCESS OF REVENUE AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER USES	(12,820)	-	-	-	-
Fund Balance - Beginning of Year	<u>12,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND (UNAUDITED)
(PAST FIVE YEARS)
TABLE #7

	2015	2016	2017	2018	2019
REVENUES					
Bond Proceeds	-	-	-	35,205,000	-
Interest Income	-	-	-	279,215	520,761
Total Revenues	-	-	-	35,484,215	520,761
EXPENDITURES					
Bond Issue Costs	-	-	-	942,812	-
Intergovernmental Expenditure - District No. 1	-	-	-	-	906,813
Total Expenditures	-	-	-	942,812	906,813
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	34,541,403	(386,052)
OTHER SOURCES OF FINANCING					
Transfers In (Out)	-	-	-	(8,324,033)	(10,356)
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	26,217,370	(396,408)
Fund Balance - Beginning of Year	-	-	-	-	26,217,370
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,217,370</u>	<u>\$ 25,820,962</u>

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND (UNAUDITED)
(PAST FIVE YEARS)
TABLE #8

	2015	2016	2017	2018	2019
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 34,697
Specific Ownership Taxes	-	-	-	-	3,480
Interest Income	-	-	-	87,811	141,955
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,811</u>	<u>180,132</u>
EXPENDITURES					
County Treasurer's Fee	-	-	-	-	521
Bond Interest Senior Bond	-	-	-	821,168	1,824,819
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>821,168</u>	<u>1,825,340</u>
EXCESS OF REVENUES UNDER EXPENDITURES	-	-	-	(733,357)	(1,645,208)
OTHER SOURCES OF FINANCING					
Transfers In (Out)	-	-	-	8,324,033	10,356
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	7,590,676	(1,634,852)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,590,676</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,590,676</u></u>	<u><u>\$ 5,955,824</u></u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON – GENERAL FUND
TABLE #9**

	2019			2020
	Final Budget	Actual	Variance	Budget
REVENUES				
Property Taxes	\$ 13,879	\$ 13,879	\$ -	\$ 13,698
Specific Ownership Taxes	1,856	1,862	6	1,649
Fire Protection Tax	4,684	4,684	-	4,623
Net Investment Income	-	27	27	-
Other Income	1,914	-	(1,914)	2,030
Total Revenues	<u>22,333</u>	<u>20,452</u>	<u>(1,881)</u>	<u>22,000</u>
EXPENDITURES				
Current:				
County Treasurer's Fees-Fire	-	70	(70)	69
County Treasurer's Fees	278	208	70	205
Transfer to District No. 1	20,141	15,560	4,581	15,142
Payment to Town	-	4,614	(4,614)	4,554
Contingency	1,914	-	1,914	2,030
Total Expenditures	<u>22,333</u>	<u>20,452</u>	<u>1,881</u>	<u>22,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON – CAPITAL PROJECTS FUND
TABLE #10**

	2019			2020
	Budget	Actual	Variance	Budget
REVENUES				
Interest Income	\$ 390,000	\$ 520,761	\$ 130,761	\$ 200,000
Total Revenues	390,000	520,761	130,761	200,000
EXPENDITURES				
Intergovernmental Expenditure - District No. 1	25,318,288	906,813	24,411,475	26,258,839
Total Expenditures	25,318,288	906,813	24,411,475	26,258,839
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,928,288)	(386,052)	24,542,236	(26,058,839)
OTHER FINANCING SOURCES (USES)				
Transfers (to) from Other Fund	-	(10,356)	(10,356)	-
Total Other Financing Uses	-	(10,356)	(10,356)	-
NET CHANGE IN FUND BALANCES	(24,928,288)	(396,408)	24,531,880	(26,058,839)
Fund Balances - Beginning of Year	24,928,288	26,217,370	(1,289,082)	26,058,839
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 25,820,962</u>	<u>\$ 23,242,798</u>	<u>\$ -</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON – DEBT SERVICE FUND
TABLE #11**

	2019			2020
	Budget	Actual	Variance	Budget
REVENUES				
Interest Income	\$ 98,600	\$ 141,955	\$ 43,355	\$ 76,750
Property taxes	34,697	34,697	-	34,246
Specific Ownership Taxes	3,470	3,480	10	3,082
Total Revenues	<u>136,767</u>	<u>180,132</u>	<u>43,365</u>	<u>114,078</u>
EXPENDITURES				
Debt Service:				
Bond Interest	1,824,819	1,824,819	-	1,824,819
Contingency	5,181	-	5,181	4,667
County Treasurer's Fee	520	521	(1)	514
Trustee Fees	5,000	-	5,000	-
Total Expenditures	<u>1,835,520</u>	<u>1,825,340</u>	<u>10,180</u>	<u>1,830,000</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Fund	-	10,356	10,356	-
Total Other Financing Sources	<u>-</u>	<u>10,356</u>	<u>10,356</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,698,753)	(1,634,852)	63,901	(1,715,922)
Fund Balances - Beginning of Year	<u>6,311,612</u>	<u>7,590,676</u>	<u>1,279,064</u>	<u>5,975,247</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,612,859</u>	<u>\$ 5,955,824</u>	<u>\$ 1,342,965</u>	<u>\$ 4,259,325</u>

**EXTRA-TERRITORIAL
WASTEWATER SERVICE
INTERGOVERNMENTAL AGREEMENT**

DATE: _____, March 3, 2020.

PARTIES: **TOWN OF CASTLE ROCK**, a home rule municipal corporation, acting by and through the **CASTLE ROCK WASTEWATER ENTERPRISE**, 100 N. Wilcox Street, Castle Rock, Colorado 80104 (“Town”).

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NOS. 1 and 2, quasi-municipal corporations and political subdivisions of the State of Colorado, (141 Union Boulevard, Suite 150, Lakewood, Colorado 80228) (“Districts”).

RECITALS:

- A. Initially capitalized words and phrases used in this IGA have the meanings stated in Article I, or as indicated elsewhere in the Agreement.
- B. The Districts are organized to provide public improvements, facilities and services within their service area, which is generally coextensive with the property in unincorporated Douglas County in development as Canyons South, more particularly described in the attached *Exhibit 1* (“Property”). The Town will provide water service to the Property in accordance with the Water Service Agreement, as defined below.
- C. The Town and Districts have determined it is mutually beneficial for the Town to provide wastewater service to the Property on the terms and conditions prescribed in this IGA.
- D. Pursuant to the Canyons Service Agreement between District No. 1, HT Canyons South Development LP (the “Developer”) and the Denver Southeast Suburban Water and Sanitation District d/b/a Pinery Water and Wastewater District (the “Pinery”), District No. 1 has the contractual right to acquire wastewater treatment capacity at the Pinery wastewater plant sufficient to accommodate the treatment of the wastewater flows from the Property at full development.
- E. Pursuant to the Pinery Treatment IGA between Town and the Pinery, Town has acquired the right to treatment of the wastewater flows from the Property, subject to the District’s acquisition of sufficient treatment capacity under the Canyons Service Agreement.

- F. Pursuant to this IGA, the Property will receive wastewater service from the Town in the same manner and to a similar service standard as properties within the municipal limits of the Town, subject to a twenty-five percent (25%) surcharge on all Service Charges.
- G. The Town's provision of wastewater service to the Districts is premised on the Districts' commitment to adopt and enforce the Town's comprehensive wastewater service and management regulations as the regulations of the Districts, such that the residents and other customers of the Districts have the same privileges and responsibilities as Town residents and customers. Accordingly, the Districts will adopt changes and additions to Town Regulations imposed by the Town within its municipal service area from time to time to maintain a consistent regulatory scheme.
- H. Under the terms of the Consolidated Service Plan for the Districts, District No. 1 has the primary responsibility for developing infrastructure and maintaining public services for the Property. District No. 2 is primarily a financing entity.
- I. The constitution and laws of the State of Colorado permit and encourage cooperative efforts by local governments to make the most efficient and effective use of their powers, responsibilities and resources and to enter into cooperative agreements on such matters as are addressed in this IGA.

COVENANTS:

THEREFORE, in reliance on the matters set forth above and in consideration of the mutual promises contained in this IGA, the parties agree and covenant as follows:

**ARTICLE I
DEFINITIONS**

1.01 Defined Terms. The following words, when capitalized in the text shall have the meanings indicated:

Board: the Board of Directors of District No. 1 or District No. 2, as applicable,

Canyons Service Agreement: Denver Southeast Suburban Water and Sanitation District Service Agreement (The Canyons) dated December 23, 2004, recorded in the Records on January 3, 2005 at Reception No. 2005000493, as amended by that certain Amendment to Denver Southeast Suburban Water and Sanitation District Service Agreement (The Canyons) dated May 29, 2009 recorded in the Records on June 2, 2009 at Reception No. 2009041897, and as amended by that certain Second Amendment to Denver Southeast

Suburban Water and Sanitation District Service Agreement (The Canyons) dated November 16, 2016, recorded in the Records on November 29, 2016 at Reception No. 2016086230, and as amended by that certain Third Amendment to Denver Southeast Suburban Water and Sanitation District Service Agreement (The Canyons) dated July 19, 2017, recorded in the Records on July 26, 2017 at Reception No. 2017050688, and as amended by that certain Assignment of and Fourth Amendment to Denver Southeast Suburban Water and Sanitation District Service Agreement (The Canyons) dated February 19, 2020, recorded in the Records on May 8, 2020 at Reception No. 2020038304

Charter: the Home Rule Charter of the Town, as amended.

Code: the Castle Rock Municipal Code, as amended.

C.R.S.: the Colorado Revised Statutes, as amended.

Council: the Castle Rock Town Council, the governing body of the Town.

Development Plan: the land use development plans and regulations approved for the Property by Douglas County.

District or District No. 1: the Crowfoot Valley Ranch Metropolitan District No. 1.

District No. 2: the Crowfoot Valley Ranch Metropolitan District No. 2.

Districts: Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2.

District Facilities: those collection and transmission lines and associated appurtenances to be constructed by the Districts, conveyed to and maintained by the Town.

District Fees: those fees and charges imposed by the Districts, independent of this IGA.

District Regulations: the Wastewater Regulations adopted by the District.

Equipment Surcharge: \$412 per connection to the wastewater system collected as condition to connection to the Town's wastewater system for the purpose of Town funding equipment necessary to meet the Service Commitment.

Facilities: the wastewater collection infrastructure required to serve the Property.

Facilities Plan: the plan attached as *Exhibit 2* depicting the location of necessary District Facilities.

IGA: this Extraterritorial Wastewater Service Intergovernmental Agreement and any amendments and supplements to it.

Owner: the record owner(s) of the Property. As of the date of this IGA, the Owner is HT Canyons South Development LP,

Owner's Consent: the document attached as *Exhibit 3* containing the acceptance and consent of the Owner to this IGA.

Pinery Treatment IGA: Intergovernmental Agreement between Denver Southeast Suburban Water and Sanitation District D/B/A Pinery Water and Wastewater District and the Town of Castle Rock dated March 3, 2020, recorded in the Records on May 8, 2020 at Reception No. 2020 038309.

Plans: the plans, documents, drawings, and specifications prepared by or for the Districts and approved by the Town for construction, installation or acquisition of any of the Facilities.

Property: the real property that is subject to this IGA and is described in the attached *Exhibit 1*.

Records: the public records maintained by the Douglas County Clerk and Recorder.

Service Charges: the periodic charges for Wastewater Service in accordance with Section 4.01 of this IGA.

Town: the Town of Castle Rock, a home rule municipal corporation.

Town Regulations: the Charter, ordinances, resolutions, rules and regulations of the Town, including the Code and the provisions of all public works and building codes, as the same may be amended from time to time. Reference to Town Regulations shall mean the Town Regulations in effect at the time of application of the term under this IGA.

Water Service: the provision of potable water service for domestic use, inclusive of fire flows, in accordance with the terms of the Water Service IGA.

Water Service IGA: Castle Rock / Canyons South Water Service Intergovernmental Agreement dated June 14, 2005, recorded in the Records on September 7, 2005 at Reception No. 2005085039.

Wastewater Regulations: the comprehensive regulatory scheme in the Town Regulations governing all aspects of the provision of municipal wastewater service, including Service Charges, public works regulations inclusive of the infrastructure permitting, construction,

inspection and acceptance. Reference to the Wastewater Regulations shall mean the Wastewater Regulations in effect at the time of application under this IGA.

Wastewater Service: the collection and treatment of wastewater from the Property in accordance with the terms of this IGA

Water Regulations: the comprehensive regulatory scheme in the Town Regulations governing all aspects of the provision of municipal water service, including Fees, Service Charges, public works regulations inclusive of the infrastructure permitting, construction, inspection and acceptance, backflow prevention, water use management practices and Conservation Regulations. Reference to the Water Regulations shall mean the Water Regulations in effect at the time of application under the Water Service IGA.

Certain other terms are defined in the text of this IGA and shall have the meaning indicated.

1.02 Cross-Reference. Any reference in the text to a section or article number, without further description shall mean such section or article in this IGA.

ARTICLE II GENERAL PROVISIONS

2.01 Interpretation and Construction. This IGA shall be applied and interpreted to further the following fundamental concepts, unless expressly provided to the contrary in the text:

- A. The Property is to receive Wastewater Service to the same standards and subject to the same requirements as properties and customers within the municipal limits of the Town;
- B. The provision of Wastewater Service will be governed by the Wastewater Regulations as they evolve during the term of this IGA, so long as the Wastewater Regulations are applied to the Property and properties within the municipal limits of the Town in a non-discriminatory manner; and
- C. The Districts will promptly adopt and enforce the Wastewater Regulations on the Property as the separate regulations of the District.

2.02 Intended Beneficiary. This IGA is entered into for the express and intended purpose of permitting the development of the Property in accordance with the Development Plan. In reliance upon and to enable the Town's Wastewater Service commitment to the Property ("Service Commitment"), Owner and its successors in interest to ownership of the Property are entitled to all rights and benefits afforded Districts under this IGA, including the contractual right

to obtain enforcement of this IGA as provided in Article VII. Owner has acknowledged that the Property is subject to the provisions of this IGA by execution of the Owner's Consent.

2.03 Third Party Performance. Any non-governmental obligation imposed on the Districts by this IGA may be assumed and discharged by Owner, a Property developer, a homebuilder, or other Property owner. However, such assumption by a third party shall not release the Districts from its underlying obligation.

2.04 Reservation of Powers. Except as provided in this IGA or as necessary to give effect to the intent and purpose of this IGA, Town and Districts reserve all of their respective powers and authority as independent governmental entities. Nothing in this IGA shall preclude or impair the Districts from imposing District Fees, provided that the Districts shall not impose District Fees such that the Town's right of enforcement or collection of the Equipment Surcharge and Service Charges is in any manner impaired or subordinated.

2.05 Limited Purpose. This IGA is limited to the Service Commitment and the Property is subject only to the Wastewater Regulations and Water Regulations pursuant to the Water Service IGA, as components of the Town Regulations. Except for fire and emergency medical service provided by the Town on behalf of the Castle Rock Fire Protection District and the Water Service commitment under the Water Service IGA, the Town does not currently provide other municipal services to the Property, nor are the Districts or owner currently subject to other Town Regulations or the payment of other fees, charges and exactions the Town imposes on development within its municipal limits.

2.06 Joint Responsibility. District No. 1 is assigned primary responsibility for performance and compliance with this IGA. However, to the extent that District No. 2's approval or authorization is necessary to enable District 1 to fully perform this IGA, District No. 2 shall be so obligated. Should District No. 1 be dissolved as part of a consolidation into District No. 2, references in this IGA to District shall mean District No. 2. Subject to these qualifications, references to District shall mean District No. 1.

ARTICLE III FACILITIES DEVELOPMENT AND MAINTENANCE

3.01 Wastewater Treatment Capacity. District No. 1 hereby assigns its rights to the wastewater treatment capacity in the Plant (as defined in the Canyons Service Agreement) to Taps

(as defined in the Canyons Service Agreement) (the "Capacity") to the Town and the Town acknowledges that the rights to the Capacity is not absolute until such time as physical connection of a Tap is made to the Plant and the Tap is deemed a Utilized Tap (as defined in the Canyons Service Agreement). The Town acknowledges that only at such time as a Tap is deemed a Utilized Tap, shall the Town have the right to access the Capacity related to such Tap. The Town further acknowledges that until such time, its rights to the Capacity related to Unutilized Taps (as defined in the Canyons Service Agreement) are contingent upon ongoing payment of Service Charges (as defined in the Canyons Service Agreement) related to Unutilized Taps by the Developer to the Pinery pursuant to the Canyons Service Agreement and the Pinery will continue to have the right to lien properties for unpaid Service Charges related to such Unutilized Taps. The Parties acknowledge that in no event shall the Town have any obligation for payment of the Service Charges.

3.02 Wastewater Treatment. Town shall have no obligation to develop or fund Facilities. However, Town shall keep in force and effect the right to wastewater treatment through the Pinery Treatment IGA, provided the Districts acquire sufficient treatment capacity pursuant to the Canyons Service Agreement.

3.03 District Facilities. Town shall have no obligation to construct or finance the Facilities except as required under the Town's maintenance obligation of the Facilities. District No. 1 shall construct the District Facilities at the sole expense of the Districts. The District Facilities will connect to the existing facilities of the Pinery as depicted on the Facilities Plan. District Facilities shall be permitted through the Town in the same manner as similar infrastructure is permitted in the Town. District Facilities shall be constructed to the public works standards and other applicable provisions of the Wastewater Regulations and District Regulations not in conflict with the Wastewater Regulations and the approved Plans. Town shall provide Plan review, public works inspection and acceptance services in consideration of the payment of public works permit fees.

Upon substantial completion of the District Facilities, good and marketable title to the District Facilities shall be conveyed to the Town by warranty bill of sale substantially in the form attached as *Exhibit 4*. In the event District Facilities are not constructed within a public right of way or easement that runs to the benefit of the Town, the Districts shall concurrently cause to be conveyed to Town suitable easements to permit Town's ongoing operation and maintenance of

such District Facilities. The requirements for the quality of title and title insurance for such easements shall be the same as those prescribed for Property Interests in 3.05.

During the applicable warranty period under the District Regulations, District No. 1 will diligently address warranty items and apply, as necessary, the financial surety posted during the warranty period.

The Town's obligation to provide Wastewater Service to any particular developing area of the Property is dependent and conditioned upon the District's substantial and good faith compliance with the standards and requirements set forth in this section 3.03 in the development of the District Facilities servicing such area.

3.04 Operation and Maintenance. Town shall operate, maintain and repair the District Facilities and all aspects of the wastewater system servicing the Property to the same service level standards as the Town maintains within the Town. After final acceptance of the District Facilities, the Districts shall have no obligation to fund operation and maintenance of the District Facilities.

3.05 Property Interests. If required by the Town in the future, the Districts shall cause to be conveyed to Town, at no cost to Town, necessary sites and easements on the Property to permit the reconfiguration, replacement or maintenance of the Facilities ("Property Interests"). The standards for the scope of the Property Interests generally shall be of a size and configuration for public works constructed in the Town. Additional Property Interests shall be conveyed with marketable title, free of liens, encumbrances, taxes and restrictive covenants (including typical CCR's for new communities). Town shall be provided title insurance at District's expense in amounts reflecting fair market value of the respective Property Interests.

ARTICLE IV SERVICE CHARGES AND EQUIPMENT SURCHARGE

4.01 Extraterritorial Fees and Charges. All Service Charges shall be imposed at the rate of 125% of the amount that is imposed under the Wastewater Regulations for wastewater service within the Town limits. All references in this IGA to Service Charges applicable to the Property shall be inclusive of this 25% extraterritorial surcharge. The Districts shall impose the Equipment Surcharge and Service Charges within the Property through the District Regulations, as provided in this Article IV.

4.02 District Adoption of Wastewater Regulations. At all times during the term of this IGA, Districts shall maintain in force the Wastewater Regulations as the independent overlapping regulations of the Districts. The District Regulations must at all times reflect the Wastewater Regulations in all aspects. The Districts hereby delegate to Town the authority to collect and enforce payment of the Equipment Surcharge and Service Charges in accordance with this IGA. A joint resolution of the Districts' Boards adopting the District Regulations effective with approval of this IGA is attached as *Exhibit 5*.

Periodically, as the Town revises the Wastewater Regulations ("Revisions") it shall give the Districts' Boards reasonable prior notice of the Revisions such that the District's Boards may take necessary legislative and administrative actions to incorporate the Revisions into the District Regulations ("District Revisions"). The effective date of the District Revisions shall coincide with the effective date of the Revisions. Reasonable prior notice shall mean the public notice of the Revisions the Town in fact gave its citizens prior to adoption of the Revisions. Provided further, the Town shall make concerted efforts to involve the District's Boards and customers of the Districts in the informal Town processes preceding formal notice of the proposed Revisions, such that there is adequate opportunity for the District's Boards and residents of the Districts to become apprised of the proposed Revisions and give input to the Town prior to final action on the Revisions.

Failure of the Districts to timely adopt the District Revisions in strict compliance with the provisions of this section, entitles the Town to pursue its remedies under Article V, including termination of the Service Commitment under section 5.03. Nothing in this section shall preclude the Town from adopting Revisions under its emergency powers for the immediate preservation of the public health, safety and welfare.

4.03 District Certifications. Annually, not later than January 15th, the Districts shall certify to the Town that as of the commencement of that calendar year, the District Regulations lawfully impose a schedule of Service Charges in compliance with this IGA. Failure of the Districts to conform the District Regulations to the Revisions, including specifically changes or additions to the Service Charges shall constitute a Default under section 5.01 and trigger application of the termination provisions of 5.03. In addition to such annual certification, the Districts shall promptly respond to Town requests for periodic certification of compliance of the District Regulations with this IGA.

4.04 Payment of Equipment Surcharge. The Equipment Surcharge shall be paid directly to the Town concurrently with payment of the Fees as set forth in Section 4.04 of the Water Service Agreement, at which time Town will issue a certificate of payment to the permittee ("Payment Certificate"). As part of the review and process preceding issuance of the Payment Certificate, the Town shall determine compliance with applicable Wastewater Regulations in the same manner if the Town were issuing a building permit for the subject improvement.

Town will provide a level of customer service in the review of permit applications equivalent to the customer service provided to applicants for building permits in the Town. Payment of the applicable Equipment Surcharge and tender of a Payment Certificate shall be a condition of issuance of the building permit by Douglas County. Prior to the issuance of the first Payment Certificate, Town and Districts shall establish a written protocol with Douglas County which implements the process for collection of the Equipment Surcharge and issuance of Payment Certificates prescribed by this Section.

4.05 Service Charges. Service Charges shall be billed and collected directly by Town to customers in the same manner as the Town administers the billing and collection of Service Charges within its municipal limits, provided that the billing shall reflect that the billing is issued under the concurrent authority of the Districts. All collection and delinquency processes and charges in the Wastewater Regulations shall apply to Wastewater Service to the Property by virtue of the District Regulations. The Districts shall assist the Town in enforcing collection of Service Charges.

4.06 Limit on Fees and Charges. Other than the Equipment Surcharge provided for herein, the Town may not impose any capital or connection fees as a condition to obtaining Wastewater Service. Other than the 25% extraterritorial surcharge provided in 4.01, the Town may not impose any Service Charges which are not imposed under the Town Regulations within the municipal limits of the Town served by the Pinery.

ARTICLE V DEFAULT AND TERMINATION

5.01 Default Notice and Cure Rights. In the event either party alleges that the other is in default of this IGA ("Default"), the non-defaulting party shall first notify the defaulting party in writing of the Default ("Default Notice") and specify the exact nature of the Default in the Default

Notice. The defaulting party shall have 60 days from receipt of the Default Notice within which to cure the Default ("Cure Period") before the non-defaulting party may exercise its remedies.

5.02 Mutual Remedies. If a Default is not cured within the Cure Period, and in addition to any specific remedies or consequences provided elsewhere in this IGA, the non-defaulting party shall have the right to take whatever action at law or in equity that is necessary or desirable to enforce the performance and observation of this IGA by the defaulting party, including equitable remedies afforded under Rule 106 CRCP.

5.03 Termination of Service Commitment. In the event that: (i) the uncured Default is the failure of the District(s) to comply with the obligations to enact and enforce the District Regulations and/or District Revisions, in accordance with 4.02, or (ii) there is a final judicial disposition of litigation commenced by the Town under 5.02 that encompasses both of the following elements, or (iii) the District(s) is dissolved or vacancies on the Board(s) preclude the maintenance of a quorum of the Board(s) for a period of time longer than 60 days, or (iv) the District(s) seek relief under Chapter 9 of the United States Bankruptcy Code, (each of the foregoing constituting a "Terminable Event") the Town may terminate the Service Commitment in accordance with the further provisions of this section:

- A. The District(s)' independent governmental powers and/or public policy preclude the judicial enforcement or the mandated cure of the Default or the grant of the other equitable relief sought by the Town against the District(s) and/or its Board(s); and
- B. There is no concurrent finding that the underlying Wastewater Regulation upon which the Town seeks District(s) performance is invalid or was not lawfully adopted or enacted by the Town.

Upon commencement of a Terminable Event, the Town may give notice to the Districts of termination of the Service Commitment ("Termination Notice"). Alternatively, the Town may seek judicial relief. Absent supplemental agreement between Town and District(s), District(s) shall have 180 days from the date of the Termination Notice to acquire alternative wastewater service from other wastewater service providers ("Termination"). In conjunction with Termination, the assumption of wastewater service to the Property by a third party, the Town shall convey its interest in the District Facilities and related easements necessary for the new wastewater provider to facilitate the assumption of ownership and maintenance responsibilities by such provider.

Upon Termination, the Town shall retain ownership and interest in the Equipment Surcharges and Service Charges imposed through the date of Termination.

5.04 Cure Rights under Pinery Treatment IGA. Districts shall have the right, but not the obligation to cure a default by the Town under the Pinery Treatment IGA so as to maintain the ability to continue wastewater treatment by the Pinery. In that event, Districts shall have the right to seek recoupment of its expenditures incurred in curing the Town default.

**ARTICLE VI
MISCELLANEOUS**

6.01 Notice. All notices or other communications shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed as follows:

If to Town:	Castle Rock Water Enterprise Attn: Director of Castle Rock Water 100 N. Wilcox Street Castle Rock, Colorado 80104
With copy to:	Town Attorney Town of Castle Rock 100 N. Wilcox Street Castle Rock, Colorado 80104
If to District No. 1	Crowfoot Valley Ranch Metropolitan District No. 1 141 Union Boulevard, Suite 150 Lakewood, Colorado 80228 Attn: Ann Finn
With copy to:	Crowfoot Valley Ranch Metropolitan District No. 1 390 Union Boulevard, Suite 400 Denver, Colorado 80228 Attn: Matthew Ruhland
If to District No. 2	Crowfoot Valley Ranch Metropolitan District No. 2 141 Union Boulevard, Suite 150 Lakewood, Colorado 80228 Attn: Ann Finn

With copy to: Crowfoot Valley Ranch Metropolitan District No. 2
390 Union Boulevard, Suite 400
Denver, Colorado 80228
Attn: Matthew Ruhland

6.02 Notice of Meetings. The Districts shall submit a copy of a written notice of every regular or special meeting of the Districts to the Town Clerk at least three days prior to such meeting.

6.03 Assignment. No transfer or assignment of this IGA or of any rights hereunder shall be made by either party, other than Town may assign this IGA to another governmental entity as part of the transfer of all of the Town's water system to such entity. In the event of such transfer, the entity assuming responsibility for Wastewater Service to the Property shall expressly assume the Town's responsibility under this IGA.

6.04 Indemnification.

6.05 Amendments. This IGA may be amended only in writing upon the consent of the parties. Amendments shall be approved by resolution of the Council and resolution of the Board.

6.06 No Waiver. The waiver or delay of enforcement of one or more terms of this IGA shall not constitute a waiver of the remaining terms. The waiver or delay in enforcement regarding any breach of this IGA shall not constitute a waiver of any terms of this IGA.

6.07 TABOR Compliance. This IGA does not create indebtedness or any party within the meaning of any constitutional, home rule charter or statutory limitation or provision. The obligations of the parties under this IGA do not create a multiple fiscal year obligation under Article X, Section 20 of the Colorado Constitution.

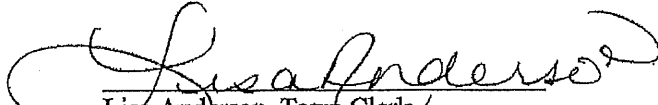
6.08 Entire Agreement. This IGA contains the entire agreement of the parties concerning the subject matter and supersedes all prior conversations, proposals, negotiations, understandings and agreements, whether written or oral.

6.09 Recordation. This IGA shall be recorded in the Records.

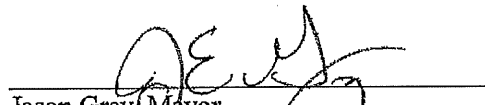
6.10 Effective Date. This IGA shall become effective upon its mutual execution by Town and Districts.

ATTEST:

**TOWN OF CASTLE ROCK acting by and
through the CASTLE ROCK
WASTEWATER ENTERPRISE**



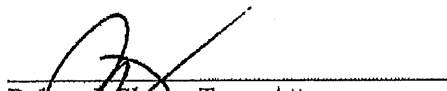
Lisa Anderson, Town Clerk



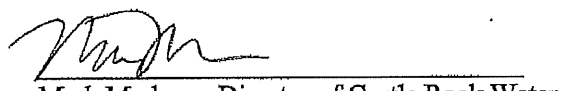
Jason Gray, Mayor

Approved as to form:

Approved as to content:



Robert Slenz, Town Attorney



Mark Marlowe, Director of Castle Rock Water



**CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 1, a
quasi-municipal corporation and political
subdivision of the State of Colorado**



Chad Murphy, Chair

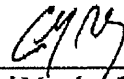
Attest:



Name: RICHARD CROSS

Title: TREASURER

**CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2, a
quasi-municipal corporation and political
subdivision of the State of Colorado**



Chad Murphy, Chair

Attest:



Name: RICHARD CROSS

Title: TREASURER

EXHIBIT 1
PROPERTY

LEGAL DESCRIPTION

A PARCEL OF LAND BEING PART OF SECTIONS 17, 18, 19, 20, 30 AND 31, TOWNSHIP 7 SOUTH, RANGE 66 WEST, TOGETHER WITH A PART OF SECTIONS 24 AND 25 OF TOWNSHIP 7 SOUTH, RANGE 67 WEST, ALL OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE WEST LINE OF SOUTHWEST QUARTER OF SAID SECTION 17, TOWNSHIP 7 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, AND ASSUMED TO BEAR SOUTH 00°04'04" WEST, WITH ALL BEARINGS HEREIN REFERENCED THERETO,

BEGINNING AT THE WEST QUARTER CORNER OF SAID SECTION 17;

THENCE ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 17, NORTH 89°28'08" EAST, A DISTANCE OF 2623.37 FEET TO THE CENTER OF SAID SECTION 17;

THENCE ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER, SOUTH 00°10'21" EAST, A DISTANCE OF 2,651.91 FEET TO THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 20;

THENCE ALONG SAID EAST LINE, SOUTH 00°23'13" EAST, A DISTANCE OF 2,674.59 FEET TO THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 20;

THENCE ALONG SAID NORTH LINE, NORTH 89°04'35" EAST, A DISTANCE OF 1,316.94 FEET TO THE CENTER EAST SIXTEENTH CORNER OF SAID SECTION 20;

THENCE DEPARTING SAID NORTH LINE, SOUTH 00°24'05" EAST, A DISTANCE OF 1,326.74 FEET;

THENCE SOUTH 89°07'03" WEST, A DISTANCE OF 1,317.12 FEET TO THE CENTER SOUTH SIXTEENTH CORNER OF SAID SECTION 20;

THENCE ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 20, SOUTH 89°07'15" WEST, A DISTANCE OF 1,320.28 FEET TO THE SOUTHWEST ONE-SIXTEENTH CORNER;

THENCE ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 20, SOUTH 00°30'17" EAST, A DISTANCE OF 1,324.72 FEET TO THE WEST ONE-SIXTEENTH CORNER OF SAID SECTION 20 AND SECTION 29 IN SAID TOWNSHIP 7 SOUTH, RANGE 66 WEST;

THENCE ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 20, SOUTH 89°10'00" WEST, A DISTANCE OF 1,317.71 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 20 AND THE EASTERLY BOUNDARY OF CANYONS SOUTH FILING NO. 1A, RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDER'S OFFICE UNDER RECEPTION NO. 2008047805;

THENCE ALONG THE EAST LINE OF SAID SECTION 30 AND SAID EASTERLY BOUNDARY THE FOLLOWING TWO (2) COURSES:

- 1) SOUTH 00°04'08" EAST, A DISTANCE OF 2,646.96 FEET;
- 2) SOUTH 00°03'57" EAST, A DISTANCE OF 798.32 FEET;

THENCE DEPARTING SAID EAST LINE AND SAID EASTERLY BOUNDARY, SOUTH 81°10'33" WEST, A DISTANCE OF 1460.53 FEET;

THENCE SOUTH 74°02'37" WEST, A DISTANCE OF 555.58 FEET TO THE NORTHEASTERLY BOUNDARY OF TRACT EEEE OF SAID CANYONS SOUTH FILING NO. 1A;

THENCE ALONG THE NORTHEASTERLY AND NORTHWESTERLY BOUNDARIES OF SAID TRACT EEEE THE FOLLOWING TWO (2) COURSES:

- 1) NORTH 53°35'13" WEST, A DISTANCE OF 51.40 FEET;
- 2) SOUTH 36°24'47" WEST, A DISTANCE OF 66.67 FEET;

THENCE DEPARTING SAID NORTHWESTERLY BOUNDARY, SOUTH 74°02'37" WEST, A DISTANCE OF 251.92 FEET;

THENCE NORTH 89°06'00" WEST, A DISTANCE OF 1845.91 FEET;

THENCE SOUTH 76°24'57" WEST, A DISTANCE OF 941.82 FEET;

THENCE SOUTH 59°57'41" WEST, A DISTANCE OF 749.00 FEET;

THENCE NORTH 33°43'04" WEST, A DISTANCE OF 792.75 FEET;

THENCE NORTH 90°00'00" WEST, A DISTANCE OF 653.65 FEET TO THE EASTERLY RIGHT-OF-WAY OF TOWER ROAD, RECORDED UNDER RECEPTION NO. 2008079259 OF SAID COUNTY RECORDS;

THENCE ALONG SAID EASTERLY RIGHT OF WAY THE FOLLOWING FOUR (4) COURSES:

- 1) NORTH 11°53'16" EAST, A DISTANCE OF 138.75 FEET;
- 2) NORTH 32°10'12" WEST, A DISTANCE OF 949.84 FEET;
- 3) NORTH 24°10'42" WEST, A DISTANCE OF 757.47 FEET;
- 4) NORTH 32°05'40" WEST, A DISTANCE OF 560.97 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF CROWFOOT VALLEY ROAD AS DETERMINED BY THAT RULE AND ORDER OF THE DOUGLAS COUNTY DISTRICT COURT RECORDED IN BOOK 1926 AT PAGE 2146, IN SAID CLERK AND RECORDERS OFFICE;

THENCE NORTHEASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING NINE (9) COURSES:

- 1) NORTH 24°25'15" EAST, A DISTANCE OF 2.16 FEET;
- 2) NORTH 27°59'53" EAST, A DISTANCE OF 83.08 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 750.00 FEET;
- 3) NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 27°22'19", AN ARC LENGTH OF 358.30 FEET;
- 4) NORTH 55°22'12" EAST, A DISTANCE OF 2677.30 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 1687.00 FEET;

- 5) NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°16'35", AN ARC LENGTH OF 449.80 FEET;
- 6) NORTH 54°05'18" EAST, A DISTANCE OF 14.99 FEET;
- 7) NORTH 34°14'38" EAST, A DISTANCE OF 46.24 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 1687.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 51°57'47" WEST;
- 8) NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 03°54'24", AN ARC LENGTH OF 115.03 FEET;
- 9) NORTH 34°07'48" EAST, A DISTANCE OF 2472.52 FEET;

THENCE DEPARTING SAID SOUTHEASTERLY RIGHT-OF-WAY, NORTH 89°47'11" EAST, A DISTANCE OF 923.05 FEET TO CENTER OF SAID SECTION 19;

THENCE ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 19, NORTH 00°24'08" WEST, A DISTANCE OF 536.00 FEET;

THENCE DEPARTING SAID WEST LINE, SOUTH 89°47'11" WEST, A DISTANCE OF 563.77 FEET TO SAID SOUTHERLY RIGHT-OF-WAY OF CROWFOOT VALLEY ROAD;

THENCE NORTHEASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING FIVE (5) COURSES:

- 1) NORTH 38°27'09" EAST, A DISTANCE OF 103.97 FEET;
- 2) NORTH 27°09'32" EAST, A DISTANCE OF 49.23 FEET;
- 3) NORTH 22°01'40" EAST, A DISTANCE OF 57.16 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 5780.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 60°18'21" WEST;
- 4) NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°41'09", AN ARC LENGTH OF 1178.86 FEET;
- 5) NORTH 18°00'31" EAST, A DISTANCE OF 932.59 FEET TO THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SECTION 18;

THENCE ALONG SAID SOUTH LINE, NORTH 89°19'11" EAST, A DISTANCE OF 996.80 FEET TO THE EAST SIXTEENTH CORNER OF SECTIONS 18 AND 19;

THENCE NORTH 00°03'55" WEST, A DISTANCE OF 1324.58 FEET;

THENCE SOUTH 89°15'52" WEST, A DISTANCE OF 198.36 FEET TO SAID SOUTHERLY RIGHT-OF-WAY OF CROWFOOT VALLEY ROAD;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING SEVEN (7) COURSES:

- 1) NORTH 33°06'56" EAST, A DISTANCE OF 142.82 FEET;
- 2) NORTH 56°53'04" WEST, A DISTANCE OF 1.50 FEET;
- 3) NORTH 33°06'56" EAST, A DISTANCE OF 1238.11 FEET;

- 4) NORTH 40°26'55" EAST, A DISTANCE OF 428.29 FEET;
- 5) NORTH 46°20'29" EAST, A DISTANCE OF 370.86 FEET;
- 6) SOUTH 43°39'35" EAST, A DISTANCE OF 1.50 FEET;
- 7) NORTH 46°20'28" EAST, A DISTANCE OF 309.05 FEET TO THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 18;

THENCE ALONG SAID EAST LINE, SOUTH 00°01'28" WEST, A DISTANCE OF 606.23 FEET TO THE POINT OF BEGINNING.

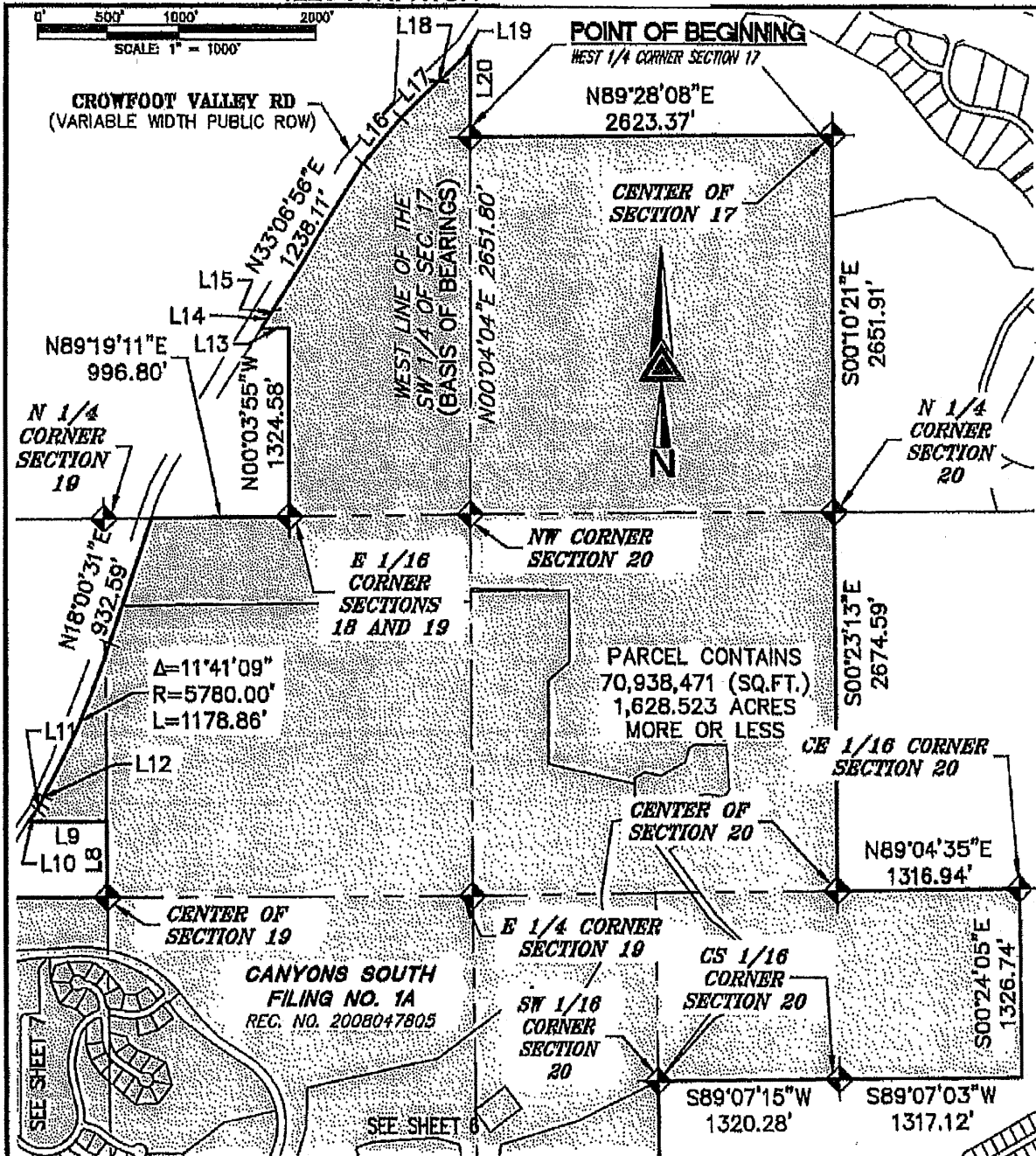
CONTAINING AN AREA OF 1628.523 ACRES, (70,938,471 SQUARE FEET), MORE OR LESS.

EXHIBIT ATTACHED AND MADE A PART HEREOF.

DANIEL E. DAVIS, PLS 38256
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF AZTEC CONSULTANTS, INC.
300 E. MINERAL AVENUE SUITE 1, LITTLETON, CO 80122



ILLUSTRATION

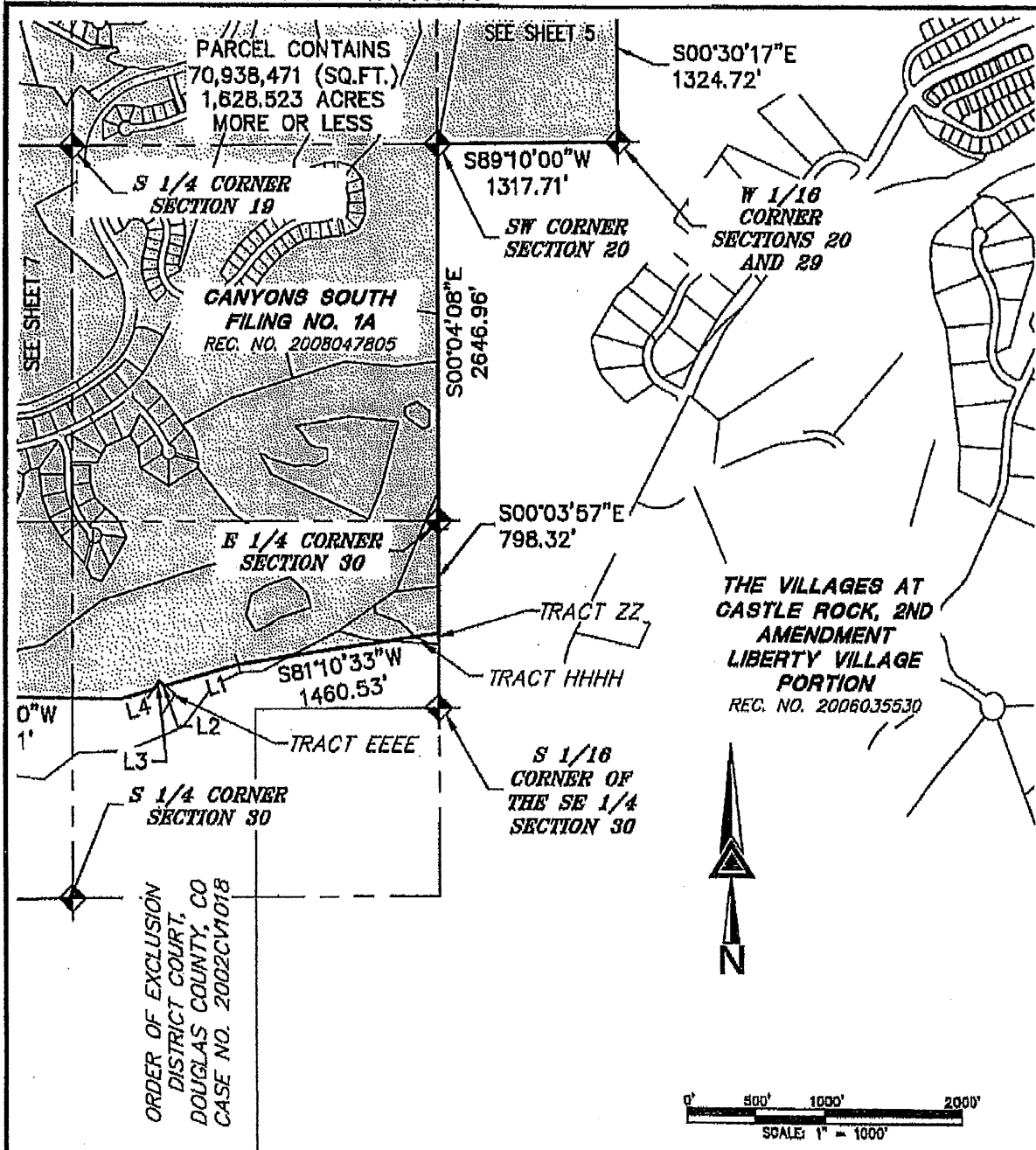


PATH:
 DWO NAME: DISTRICT 2.DWG
 DWG: DR CHK: DED
 DATE: 8/15/2018
 SCALE: 1" = 1000'

AZTEC
 CONSULTANTS, INC.
 300 East Mineral Ave,
 Suite 1
 Littleton, Colorado 80120
 Phone (303) 715-1898
 Fax (303) 715-1897
 www.aztecconsultants.com

SEC. 17, 18, 19, 20, 30, 31, T.7S., R.66W. &
 SEC. 24, 25 T.7S., R.67W.
 DOUGLAS COUNTY, COLORADO
 JOB NUMBER 134718-01
 6 OF 8 SHEETS

ILLUSTRATION



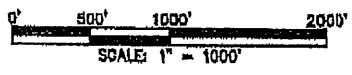
NOTE: THIS DRAWING DOES NOT REPRESENT A MONUMENTED LAND SURVEY AND IS ONLY INTENDED TO DEPICT THE ATTACHED LEGAL DESCRIPTION.

PATH:
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 DWG: DR CHK: DED
 DATE: 8/15/2018
 SCALE: 1" = 1000'

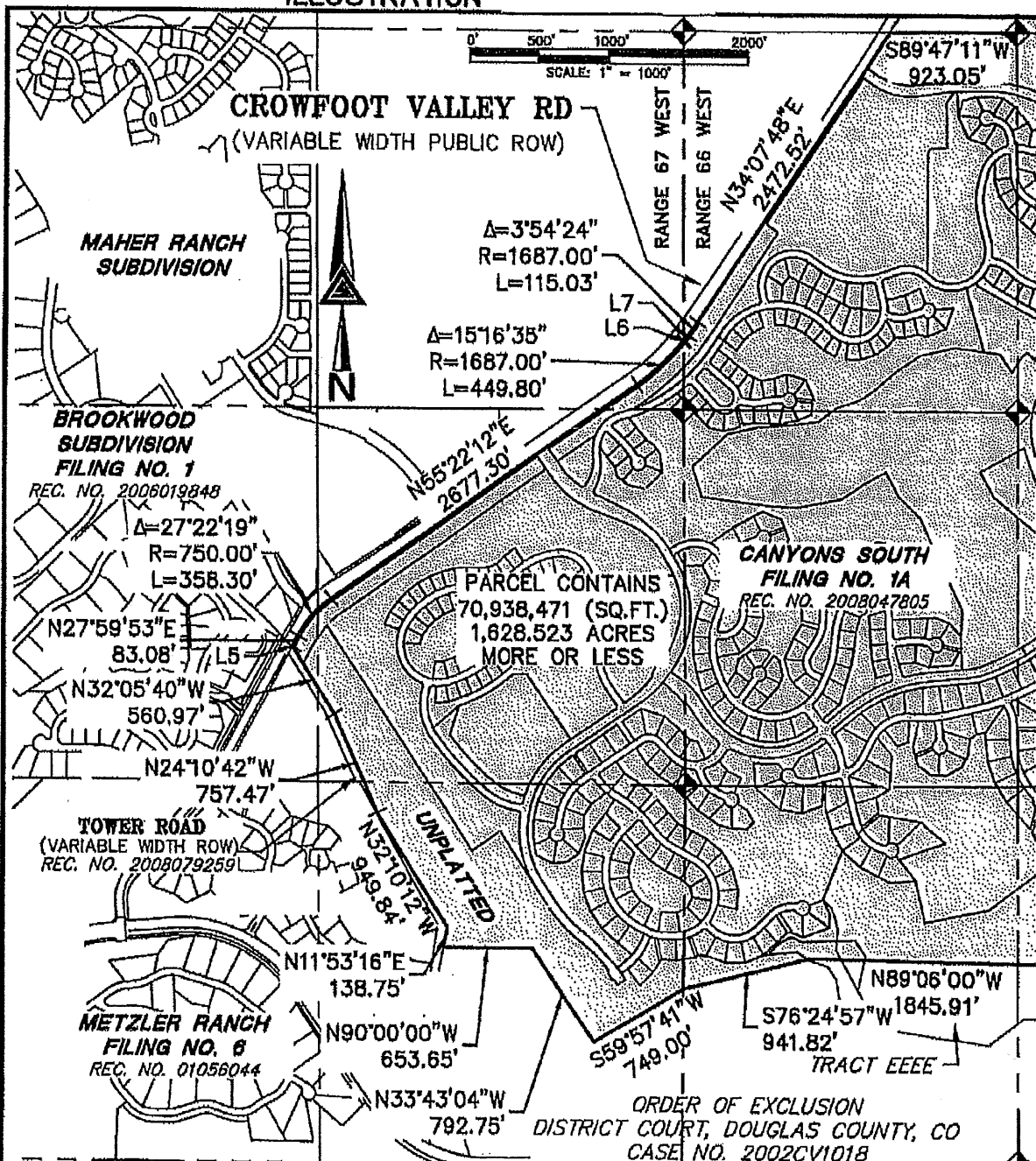
AZTEC
 CONSULTANTS, INC.
 390 East Mineral Ave.
 Suite 1
 Littleton, Colorado 80120
 Phone: (303) 713-1899
 Fax: (303) 713-1997
 www.aztecconsultants.com

SEC. 17,18,19,20,30,31, T.7S., R.66W. &
 SEC. 24, 25 T.7S., R.67W.
 DOUGLAS COUNTY, COLORADO
 JOB NUMBER 134718-01 8 OF 8 SHEETS

ORDER OF EXCLUSION
 DISTRICT COURT, CO
 DOUGLAS COUNTY, CO
 CASE NO. 2002CV1018



ILLUSTRATION



SEE SHEET 5

SEE SHEET 6

NOTE: THIS DRAWING DOES NOT REPRESENT A MONUMENTED LAND SURVEY AND IS ONLY INTENDED TO DEPICT THE ATTACHED LEGAL DESCRIPTION.

PATH:
DWG NAME: DISTRICT 2.DWG
DWG_DR: CHR_DBD
DATE: 8/15/2018
SCALE: 1" = 1000'

AZTEC
CONSULTANTS, INC.

300 East Mineral Ave,
Suite 1
Littleton, Colorado 80122
Phone: (303) 713-1878
Fax: (303) 713-1879
http://www.aztecconsultants.com

Q:\134718-01 - Crowfoot Valley Ranch Metro District Maps\dwg\EXHIBITS

SEC. 17,18,19,20,30,31, T.7S., R.66W. &
SEC. 24, 25 T.7S., R.67W.
DOUGLAS COUNTY, COLORADO
JOB NUMBER 134718-01
7 OF 8 SHEETS

ILLUSTRATION

LINE TABLE		
LINE	BEARING	LENGTH
L1	S74°02'37"W	555.58'
L2	N53°35'13"W	51.40'
L3	S36°24'47"W	66.67'
L4	S74°02'37"W	251.92'
L5	N24°25'15"E	2.16'
L6	N54°05'18"E	14.99'
L7	N34°14'38"E	46.24'
L8	N00°24'08"W	536.00'
L9	S89°47'11"W	563.77'
L10	N38°27'09"E	103.97'

LINE TABLE		
LINE	BEARING	LENGTH
L11	N27°09'32"E	49.23'
L12	N22°01'40"E	57.16'
L13	S89°15'52"W	198.36'
L14	N33°06'56"E	142.82'
L15	N56°53'04"W	1.50'
L16	N40°26'55"E	428.29'
L17	N46°20'29"E	370.86'
L18	S43°39'35"E	1.50'
L19	N46°20'28"E	309.05'
L20	S00°01'28"W	606.23'

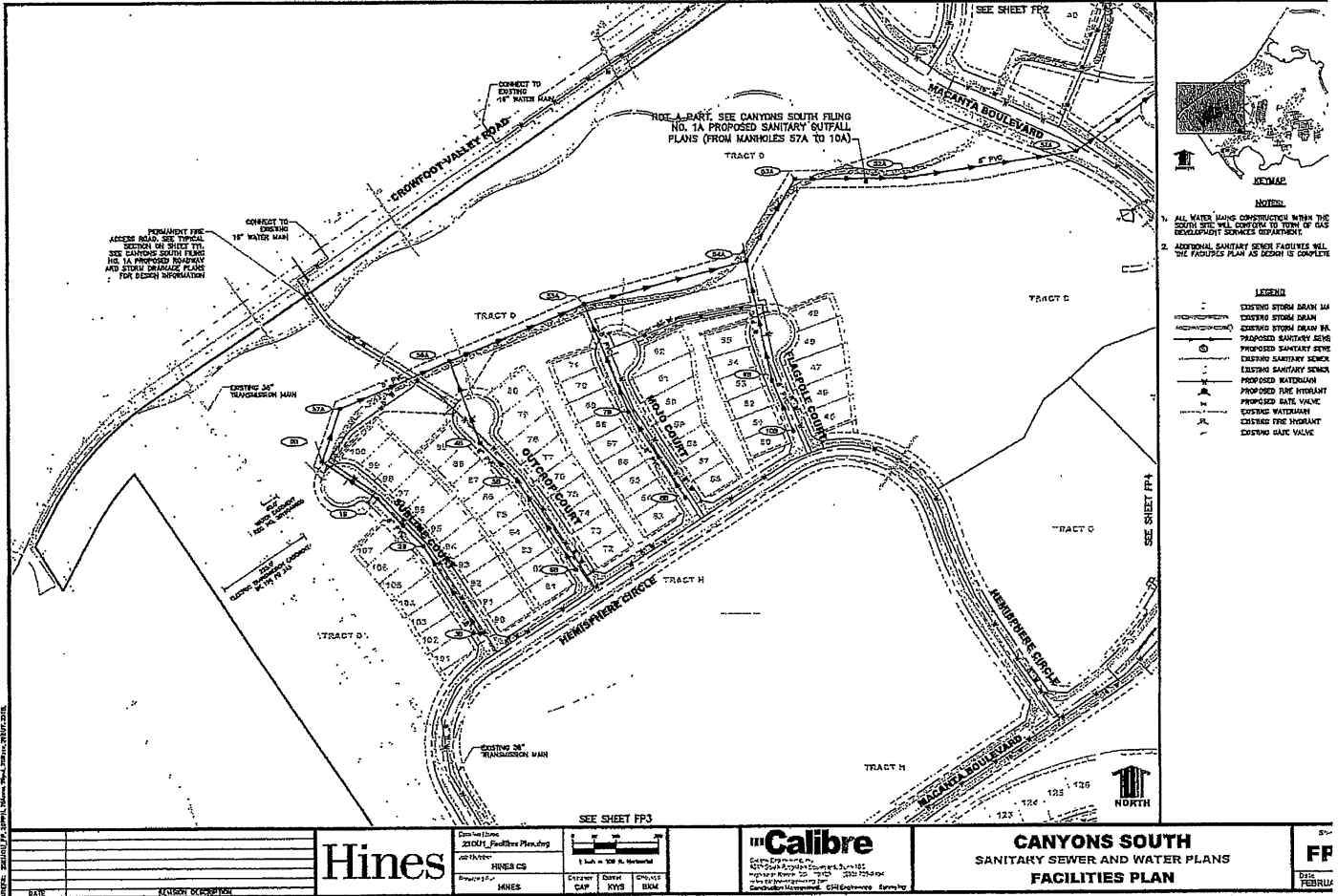
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PATH: _____
 DWD NAME: DISTRICT 2.DWG
 DWG: DR CHK: BCD
 DATE: 8/15/2018
 SCALE: 1" = 1000'

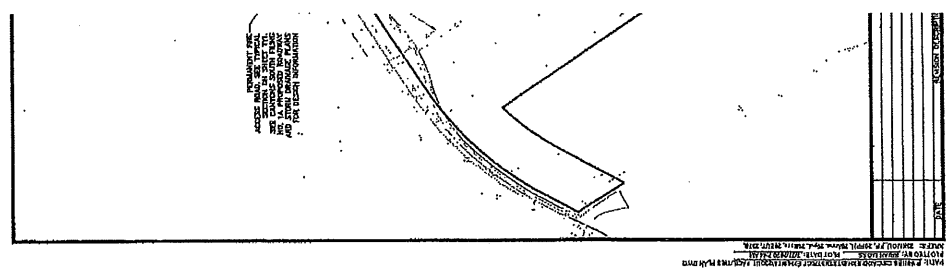

 300 East Hillcrest Ave.
 Suite 1
 Littleton, Colorado 80120
 Phone: (303) 713-1898
 Fax: (303) 713-1897
 www.aztecconsultants.com
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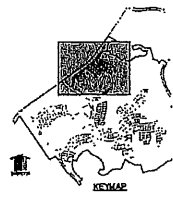
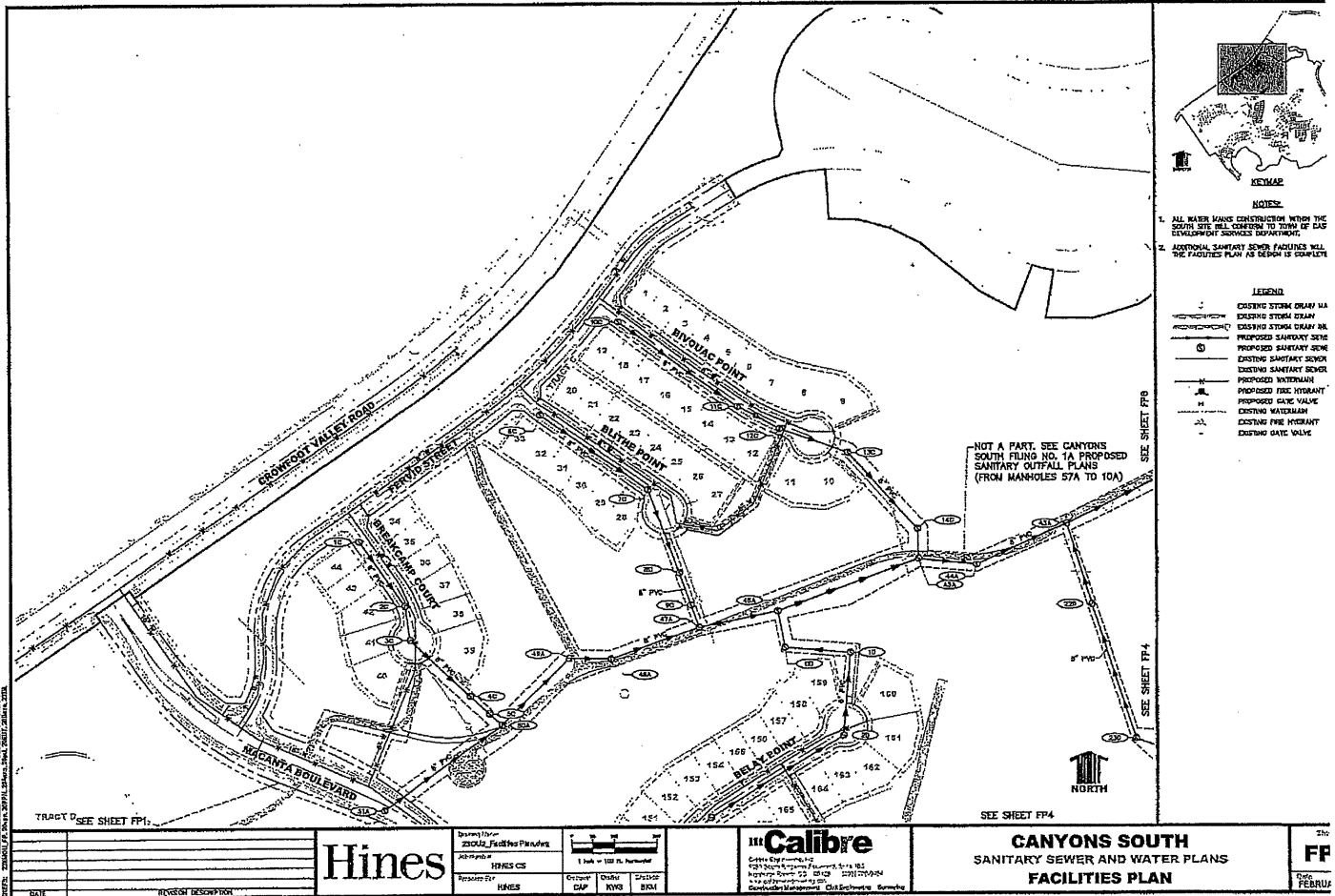
SEC. 17,18,19,20,30,31, T.7S., R.66W. &
 SEC. 24, 25 T.7S., R.67W.
 DOUGLAS COUNTY, COLORADO
 JOB NUMBER 134718-01 8 OF 8 SHEETS

EXHIBIT 2
FACILITIES PLAN



<p>DATE: 02/12/2020 10:58 AM PROJECT: CANYONS SOUTH SANITARY SEWER AND WATER FACILITIES PLAN DRAWN BY: J. HINES CHECKED BY: J. HINES APPROVED BY: J. HINES</p>		<p>DATE: 02/12/2020 10:58 AM PROJECT: CANYONS SOUTH SANITARY SEWER AND WATER FACILITIES PLAN DRAWN BY: J. HINES CHECKED BY: J. HINES APPROVED BY: J. HINES</p>	<p>DATE: 02/12/2020 10:58 AM PROJECT: CANYONS SOUTH SANITARY SEWER AND WATER FACILITIES PLAN DRAWN BY: J. HINES CHECKED BY: J. HINES APPROVED BY: J. HINES</p>	<p>DATE: 02/12/2020 10:58 AM PROJECT: CANYONS SOUTH SANITARY SEWER AND WATER FACILITIES PLAN DRAWN BY: J. HINES CHECKED BY: J. HINES APPROVED BY: J. HINES</p>	<p>DATE: 02/12/2020 10:58 AM PROJECT: CANYONS SOUTH SANITARY SEWER AND WATER FACILITIES PLAN DRAWN BY: J. HINES CHECKED BY: J. HINES APPROVED BY: J. HINES</p>	<p>DATE: 02/12/2020 10:58 AM PROJECT: CANYONS SOUTH SANITARY SEWER AND WATER FACILITIES PLAN DRAWN BY: J. HINES CHECKED BY: J. HINES APPROVED BY: J. HINES</p>	<p>DATE: 02/12/2020 10:58 AM PROJECT: CANYONS SOUTH SANITARY SEWER AND WATER FACILITIES PLAN DRAWN BY: J. HINES CHECKED BY: J. HINES APPROVED BY: J. HINES</p>	<p>DATE: 02/12/2020 10:58 AM PROJECT: CANYONS SOUTH SANITARY SEWER AND WATER FACILITIES PLAN DRAWN BY: J. HINES CHECKED BY: J. HINES APPROVED BY: J. HINES</p>	<p>DATE: 02/12/2020 10:58 AM PROJECT: CANYONS SOUTH SANITARY SEWER AND WATER FACILITIES PLAN DRAWN BY: J. HINES CHECKED BY: J. HINES APPROVED BY: J. HINES</p>
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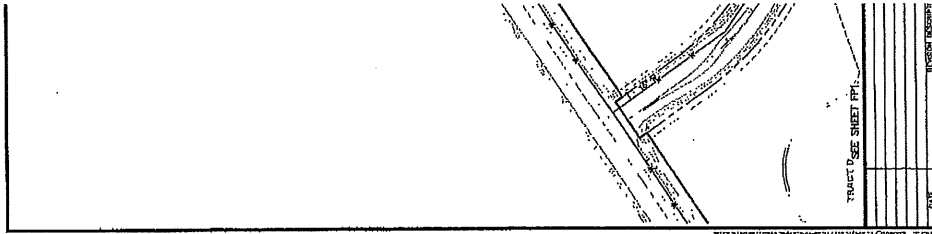
- NOTES**
1. ALL WATER MAIN CONSTRUCTION UNDER THE SOUTH SITE WILL REFER TO TOWN OF LAS VEGAS DEVELOPMENT SERVICES DEPARTMENT.
 2. ADDITIONAL SANITARY SEWER FACILITIES WILL BE THE FACILITIES PLAN AS DEVELOPMENT IS COMPLETE.

- LEGEND**
- EXISTING STORM DRAIN 18"
 - EXISTING STORM DRAIN 36"
 - EXISTING STORM DRAIN 48"
 - PROPOSED SANITARY SEWER
 - PROPOSED SANITARY SEWER
 - EXISTING SANITARY SEWER
 - EXISTING SANITARY SEWER
 - PROPOSED FIRE HYDRANT
 - PROPOSED GATE VALVE
 - EXISTING WATER MAIN
 - EXISTING FIRE HYDRANT
 - EXISTING GATE VALVE

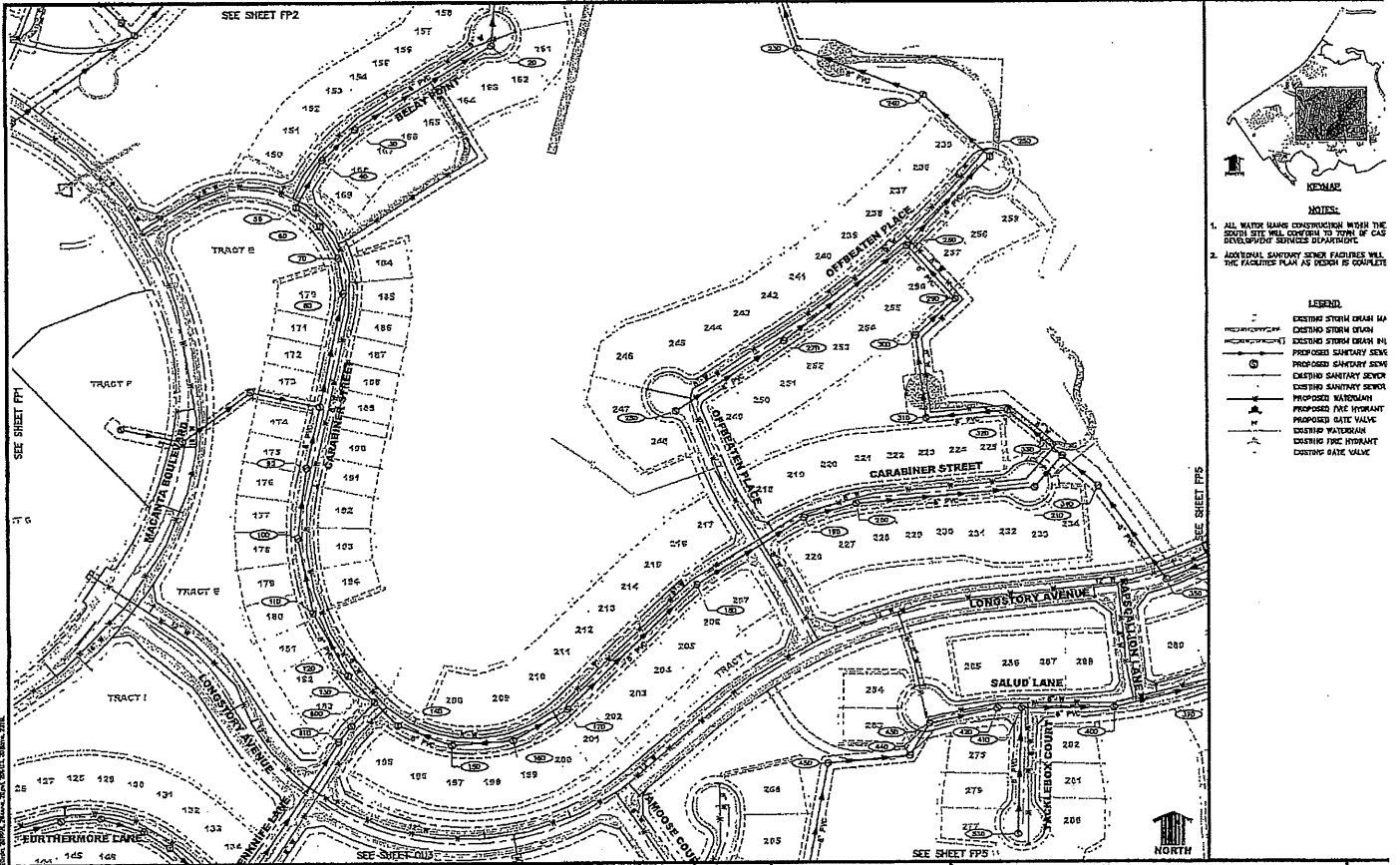
NOT A PART. SEE CANYONS SOUTH PLING NO. 1A. PROPOSED SANITARY OUTFALL PLANS (FROM MANHOLES 57A TO 10A)



<p>DATE</p> <p>REVISION DESCRIPTION</p>	<p>Hines</p>	<p>Drawn By: ZIGOUY, Facilities Planning</p>	<p>1 inch = 100 ft. Horizontal</p>	<p>Calibre</p> <p>City of Las Vegas</p> <p>1200 West Flamingo Avenue, Suite 100</p> <p>Las Vegas, NV 89119</p> <p>www.calibre.com</p>	<p>CANYONS SOUTH</p> <p>SANITARY SEWER AND WATER PLANS</p> <p>FACILITIES PLAN</p>	<p>230</p> <p>FF</p> <p>DATE: FEBRUARY</p>
		<p>Checked By: HINES</p> <p>City: CAP</p> <p>State: NV</p> <p>County: BCL</p>				



THIS DRAWING IS THE PROPERTY OF CALIBRE ENGINEERING, INC. AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF CALIBRE ENGINEERING, INC.

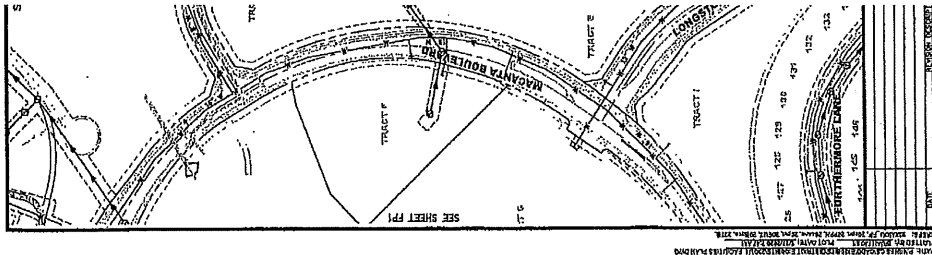


- NOTES:**
1. ALL WATER MAINS CONSTRUCTION WITHIN THE SOUTH SITE WILL CONFORM TO TERMS OF CASE DEVELOPMENT SERVICES AGREEMENT.
 2. ADDITIONAL SANITARY SEWER FACILITIES WILL BE FACILITIES PLAN AS DESIGN IS COMPLETE.

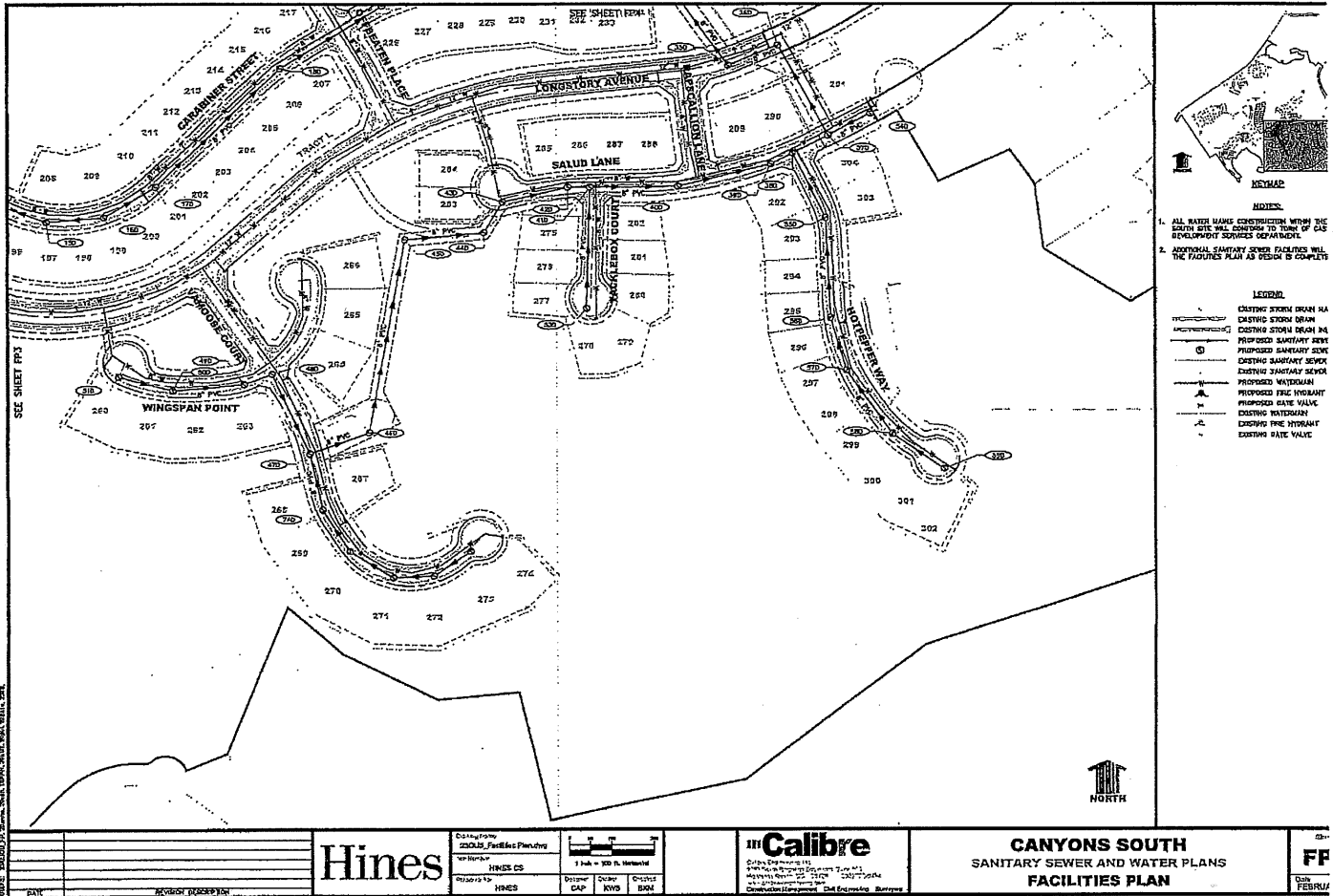
LEGEND:

	EXISTING STORM DRAIN
	EXISTING SANITARY SEWER
	PROPOSED SANITARY SEWER
	EXISTING SANITARY SEWER MANHOLE
	PROPOSED SANITARY SEWER MANHOLE
	EXISTING FIRE HYDRANT
	PROPOSED FIRE HYDRANT
	EXISTING WATER MAIN
	PROPOSED WATER MAIN
	EXISTING GATE VALVE
	PROPOSED GATE VALVE

<p>Hines</p> <p>3000 E. Fairway Blvd. Suite 100 Tucson, AZ 85718 Tel: 520.790.1234 Fax: 520.790.1235 www.hines.com</p>	<p>1 inch = 100 ft. horizontal</p>	<p>Calibre</p> <p>3000 E. Fairway Blvd. Suite 100 Tucson, AZ 85718 Tel: 520.790.1234 Fax: 520.790.1235 www.calibre.com</p>	<p>CANYONS SOUTH SANITARY SEWER AND WATER PLANS FACILITIES PLAN</p>	<p>FF DATE: FEBRUARY 2020</p>
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THIS PLAN IS THE PROPERTY OF HINES ENGINEERING AND ARCHITECTURE, P.C. AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF HINES ENGINEERING AND ARCHITECTURE, P.C.



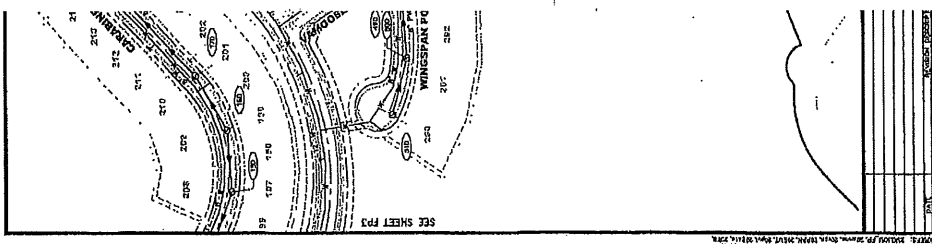
- NOTES:**
1. ALL WATER MAINS CONSTRUCTION WITHIN THE SOUTH SITE WILL OCCUR TO THE TOWN OF CANYONS DEVELOPMENT SERVICES DEPARTMENT.
 2. ADDITIONAL SANITARY SEWER FACILITIES WILL BE THE FACILITIES PLAN AS DESIGN IS COMPLETE.

LEGEND:

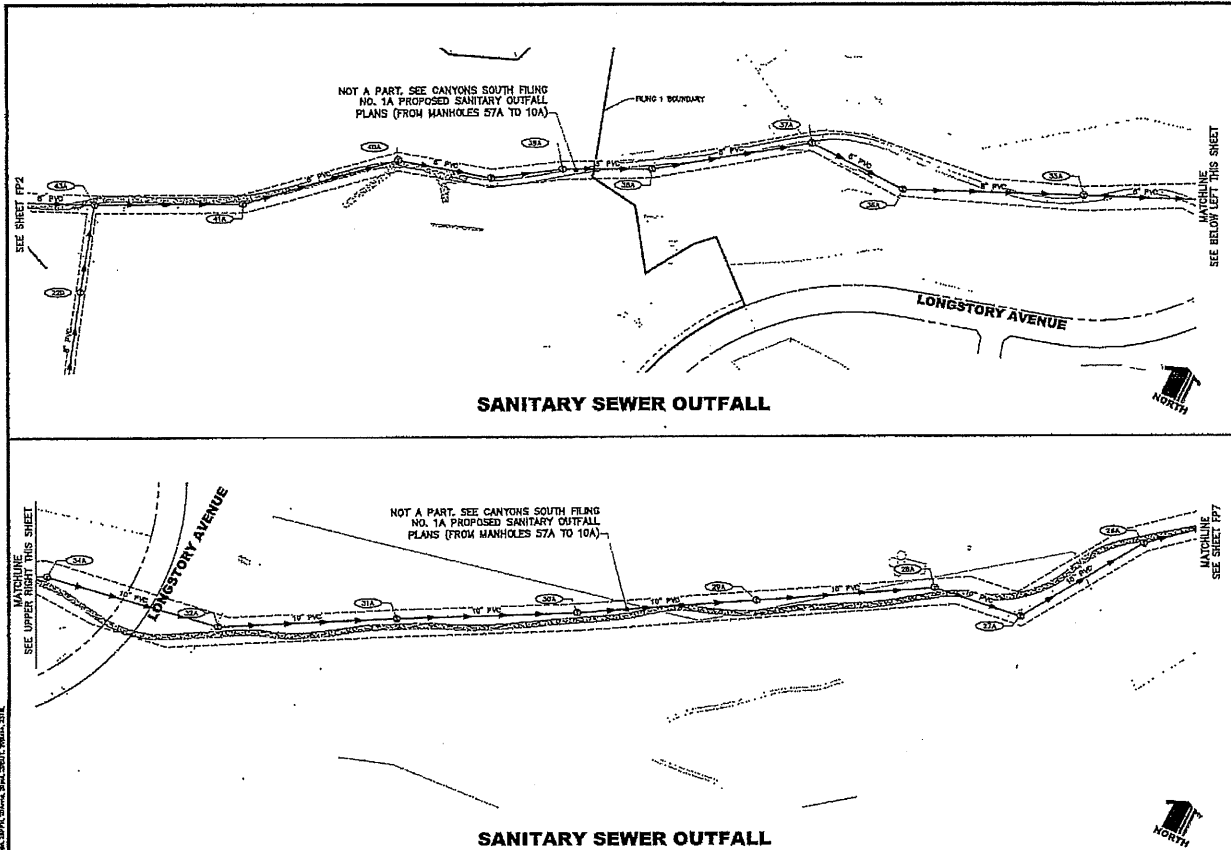
	EXISTING STORM DRAIN
	EXISTING STORM DRAIN IN
	PROPOSED SANITARY SEWER
	PROPOSED SANITARY SEWER IN
	EXISTING SANITARY SEWER
	PROPOSED WATERMAIN
	PROPOSED FIRE HYDRANT
	PROPOSED GATE VALVE
	EXISTING WATERMAIN
	EXISTING FIRE HYDRANT
	EXISTING GATE VALVE

HINES ENGINEERING ARCHITECTURE INTERIORS LANDSCAPE ARCHITECTURE PLANNING
 1000 WEST 10TH AVENUE SUITE 100 DENVER CO 80202
 PHONE: 303.733.1100 FAX: 303.733.1101
 WWW.HINESENGINEERING.COM

	Drawing Title: CANYONS SOUTH Facilities Plan Project No: HINES CS Revision No: 001	 Designer: GAJ Checker: NYB Drafter: BSA	 Civil Engineering 1000 West 10th Avenue Suite 100 Denver, CO 80202 Phone: 303.733.1100 Fax: 303.733.1101 www.calibreinc.com	CANYONS SOUTH SANITARY SEWER AND WATER PLANS FACILITIES PLAN	FF Date: FEBRU/20
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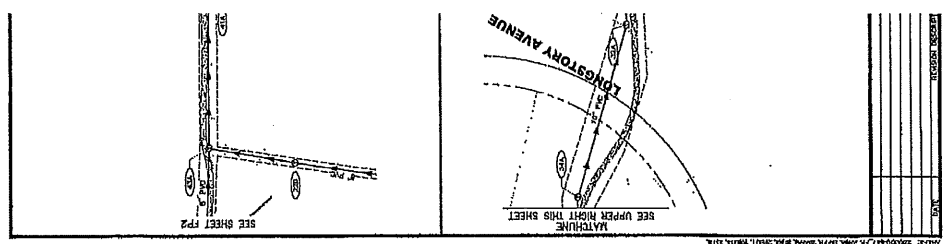
HINES ENGINEERING ARCHITECTURE INTERIORS LANDSCAPE ARCHITECTURE PLANNING
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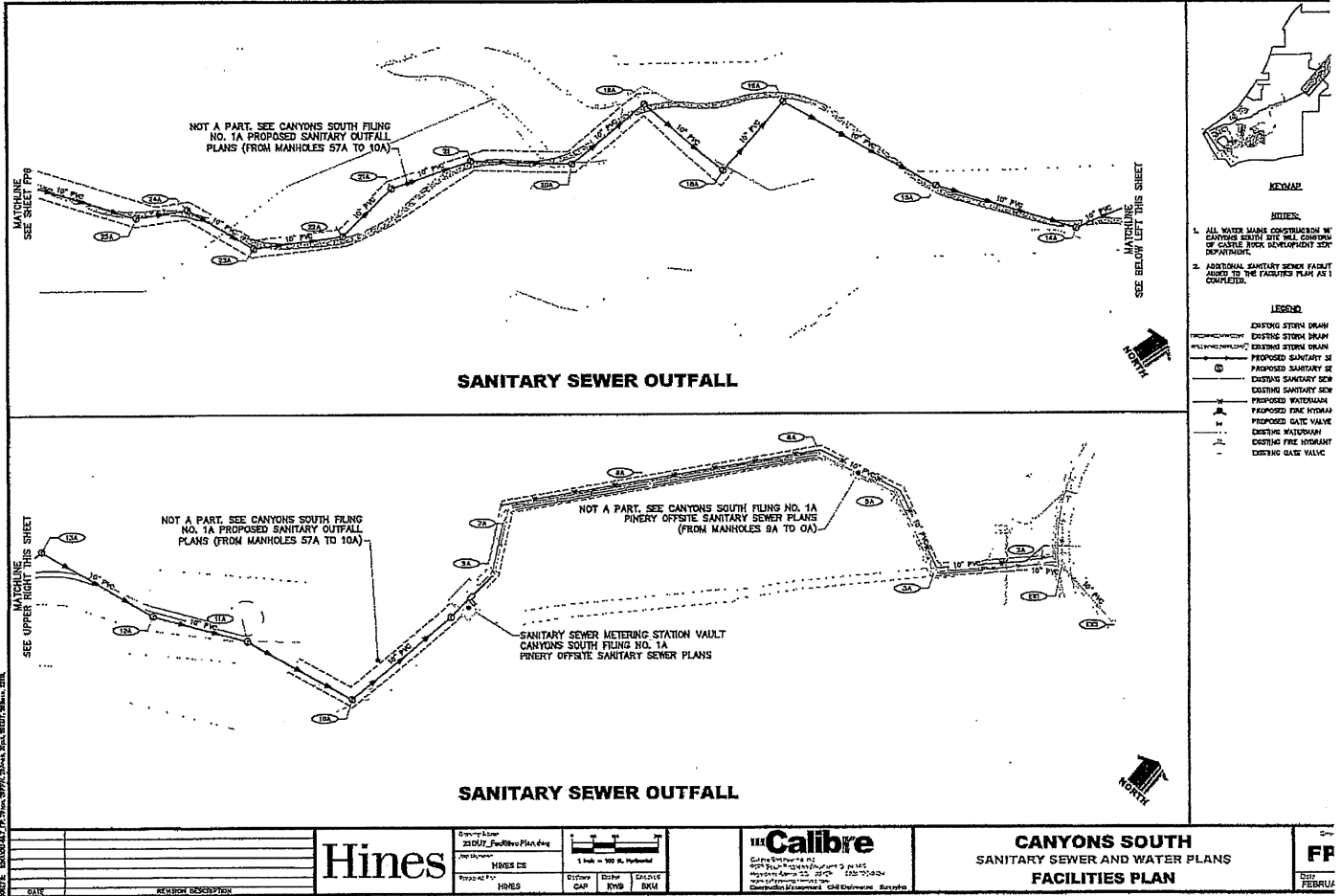
- NOTES**
1. ALL WATER MAINS CONSTRUCTION IN CANYONS SOUTH SITE WILL CONFORM TO CASTLE ROCK DEVELOPMENT STD SPECIFICATIONS.
 2. ADDITIONAL SANITARY SEWER FACILITY ADDED TO THE FACILITIES PLAN AS I DEVELOPED.

- LEGEND**
- EXISTING STORM DRAIN
 - EXISTING STORM DRAIN
 - EXISTING STORM DRAIN
 - PROPOSED SANITARY ST
 - PROPOSED SANITARY ST
 - EXISTING SANITARY SDR
 - EXISTING SANITARY SDR
 - PROPOSED WATERMAIN
 - PROPOSED FIRE HYDRANT
 - PROPOSED GATE VALVE
 - EXISTING WATERMAIN
 - EXISTING FIRE HYDRANT
 - EXISTING GATE VALVE

<p>DATE: 08/11/2020 10:00 AM</p> <p>PROJECT: SANITARY SEWER AND WATER PLANS</p> <p>SCALE: 1" = 30' R. HORIZONTAL</p>	<p>Hines</p>	<p>1" = 30' R. HORIZONTAL</p>	<p>Calibre</p> <p>CONSTRUCTION</p>	<p>CANYONS SOUTH</p> <p>SANITARY SEWER AND WATER PLANS</p> <p>FACILITIES PLAN</p>	<p>FF</p> <p>REV: FEBRUARY</p>
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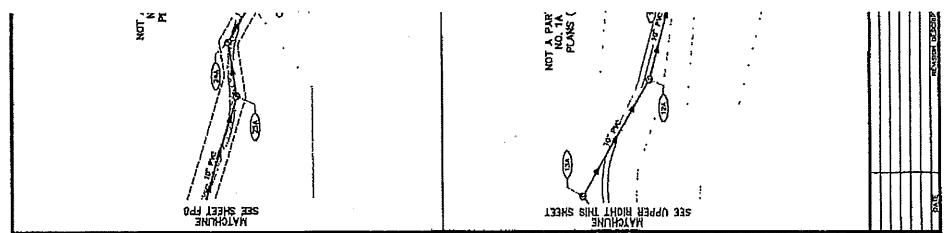


DATE: 08/11/2020 10:00 AM
 PROJECT: SANITARY SEWER AND WATER PLANS
 SCALE: 1" = 30' R. HORIZONTAL



NOTE: PLANS FOR CONSTRUCTION OF SANITARY SEWER AND WATER MAINS SHALL BE IN ACCORDANCE WITH THE CITY OF DENVER, COLORADO, STANDARD SPECIFICATIONS FOR WATER MAINS AND SANITARY SEWERS, 2018 EDITION.

			Calibre <small>Construction Management, Civil Engineering, Surveying</small>	CANYONS SOUTH SANITARY SEWER AND WATER PLANS FACILITIES PLAN	FP <small>FIELD RECORD</small>
DATE	REVISION DESCRIPTION	Drawn by: JLD 2020_Facilities Plan.dwg Title: HINES CS Project: HINES System: CS Date: 1/20/20	Scale: 1 inch = 100 ft, Horizontal System: CAD Date: 1/20/20	City of Denver, Colorado 1500 Broadway, Suite 1000 Denver, CO 80202 Phone: 303.733.1000 Website: www.calibre.com	City of Denver 1401 Lawrence Street Denver, CO 80202 Phone: 303.733.1000 Website: www.denvergov.org



NOTE: PLANS FOR CONSTRUCTION OF SANITARY SEWER AND WATER MAINS SHALL BE IN ACCORDANCE WITH THE CITY OF DENVER, COLORADO, STANDARD SPECIFICATIONS FOR WATER MAINS AND SANITARY SEWERS, 2018 EDITION.

EXHIBIT 3
OWNER'S CONSENT

OWNER'S CONSENT

1. HT Canyons South Development LP (the "Owner") is the principal owner of the real property in Douglas County, Colorado described in Exhibit 1 to the IGA (the "Property").

2. The Property is subject to the Extra-Territorial Wastewater Service Intergovernmental Agreement, dated as of the March 3, 2020 (the "IGA") and is located within the Districts, as that term is defined in the IGA.

3. The Owner understands that it is an intended beneficiary of the IGA.

4. The Owner understands that the IGA in certain aspects requires performance or compliance by the owners, developers, builders and homeowners of the Property as a condition to the Property receiving wastewater service from the Town of Castle Rock.

5. Without directly assuming any obligation under the IGA by execution of this Consent, the Owner acknowledges that it has not objection to the execution of the IGA, by the Districts, and that the terms and conditions on the receipt of wastewater service contained within the IGA are reasonable and appropriate.

6. The Owner has no objection to the recordation of the IGA in the public records of Douglas County, Colorado.

HT CANYONS SOUTH DEVELOPMENT LP

By: HT Canyons South Development LLC, its general partner

By: HT Canyons South LP, its sole member

By: Hines Canyons South LLC, its general partner


By: Hines Canyons South Associates LP, its sole member

By: Hines Investment Management Holdings Limited Partnership, its general partner

By: HIMH GP LLC, its general partner

By: Hines Real Estate Holdings Limited Partnership, its sole member

By: JCH Investments, Inc., its general partner

am By: 
Name: Robert W. Witte
Title: Senior Managing Director

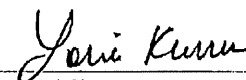
STATE OF TEXAS)
)ss.
COUNTY OF DALLAS)

The foregoing Consent was acknowledged before me this 9th day of April, 2020, by Robert W. Witte as Senior Managing Director of JCH Investments, Inc., as general partner of Hines Real Estate Holdings Limited Partnership, as sole member of HIMH GP LLC, as general partner of Hines Investment Management Holdings Limited Partnership, as general partner of Hines Canyons South Associates LP, as sole member of Hines Canyons South LLC, as general partner of HT Canyons South LP, as sole member of HT Canyons South Development LLC, as general partner of HT Canyons South Development LP, on behalf of said entities.

WITNESS my hand and official seal.

My commission expires: 7/3/21

(S E A L)



Notary Public

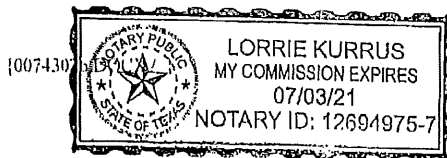


EXHIBIT 4
WARRANTY BILL OF SALE

WARRANTY BILL OF SALE

**CANYONS SOUTH
WASTEWATER FACILITIES CONVEYANCE AND INITIAL ACCEPTANCE**

TRANSFEROR:

TRANSFeree: Town of Castle Rock, a municipal corporation ("Town")
100 N. Wilcox Street
Castle Rock, Colorado 80104

Transferor has caused to be constructed certain wastewater facilities and related appurtenances described in the attached Exhibit A (the "Improvements"), as required by Town to serve the Canyons South subdivision. Town will assume the obligation for maintenance and operation of the Improvements located in the rights-of-way, easement or other real property owned by Town, upon conveyance of the Improvements to the Town.

THEREFORE, Transferor grants, conveys and transfers to Town all its interest (real or personal) and title to the Improvements subject to the following:

1. Transferor warrants to the Town that Transferor has a good title to the Improvements, free and clear of any lien, claim or right of any third party in or to the Improvements, and Transferor will defend Town's title to the Improvements against the claims of any third party.
2. Transferor warrants that the Improvements are located within an easement, right-of-way or other real property interest designated by Town for siting of the Improvements. Town acknowledges receipt of as-built drawings of the Improvements dated _____.
3. Transferor warrants that, as constructed, all Improvements are in conformance with the current Town standards and the approved construction plans, and are free from defects in design, material or workmanship. This warranty is for the period prescribed by Town's Public Works Regulations, commencing with the date of acceptance made below.
4. Transferor concurrently submits to Town the surety attached as Exhibit B in the amount of 15% of the above total to secure Transferor's warranty obligation on the Improvements.

TRANSFEROR:

By: _____

Its: _____

ACCORDINGLY, Town accepts for ownership and maintenance of the Improvements
affective _____, 20__.

TOWN OF CASTLE ROCK

Engineering Division

EXHIBIT 5
DISTRICT'S RESOLUTION

**A JOINT RESOLUTION OF THE BOARDS OF DIRECTORS OF
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NOS 1 AND 2**

WHEREAS, the Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2 (the "Districts") are quasi-municipal corporations and political subdivisions of the State of Colorado; and

WHEREAS, pursuant to Sections 32-1-1001(1)(d)(I) and 29-1-201, et seq, C.R.S., the Boards of the Directors of the Districts (the "Boards") have the power to enter into contracts and agreements affecting the affairs of the Districts; and

WHEREAS, the Town of Castle Rock (the "Town") has presented the Boards with a form of Intergovernmental Agreement that sets forth the terms and conditions under which the Town will provide wastewater service to the Districts (the "IGA"); and

WHEREAS, the Boards have determined that the interest of the Districts and the public interest and necessity require that the Districts enter into the IGA with the Town for the construction and use of wastewater service.

NOW, THEREFORE, BE IT RESOLVED by the Boards of Directors of the Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2 as follows:


1. The Boards hereby approve the IGA as presented, and resolve to enter into the IGA.
2. The Boards hereby adopt the Wastewater Regulations, as defined in the IGA, as the District Regulations.
3. The Boards hereby authorize the President and Secretary of the Districts to execute the IGA on behalf of the Districts.
4. The provisions of this Joint Resolution shall be effective immediately upon its approval by the District Board.

ADOPTED this 19th day of February, 2020.


CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 1

By 
Chad Murphy, Chair

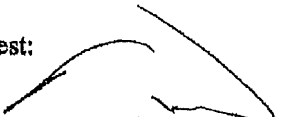
Attest:


Name: RICHARD CROSS
Title: TREASURER

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2

By 
Chad Murphy, Chair

Attest:


Name: RICHARD CROSS
Title: TREASURER